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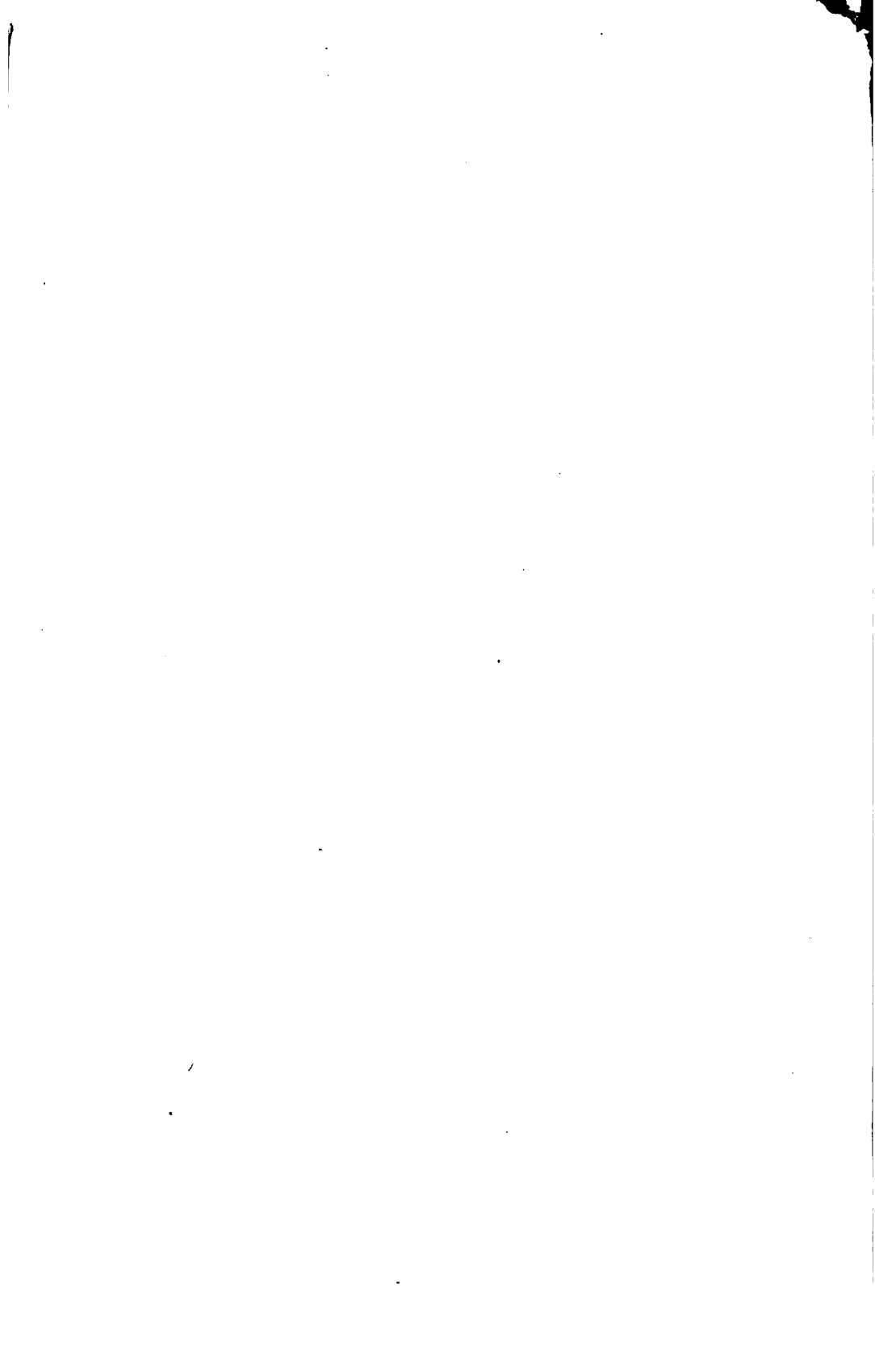
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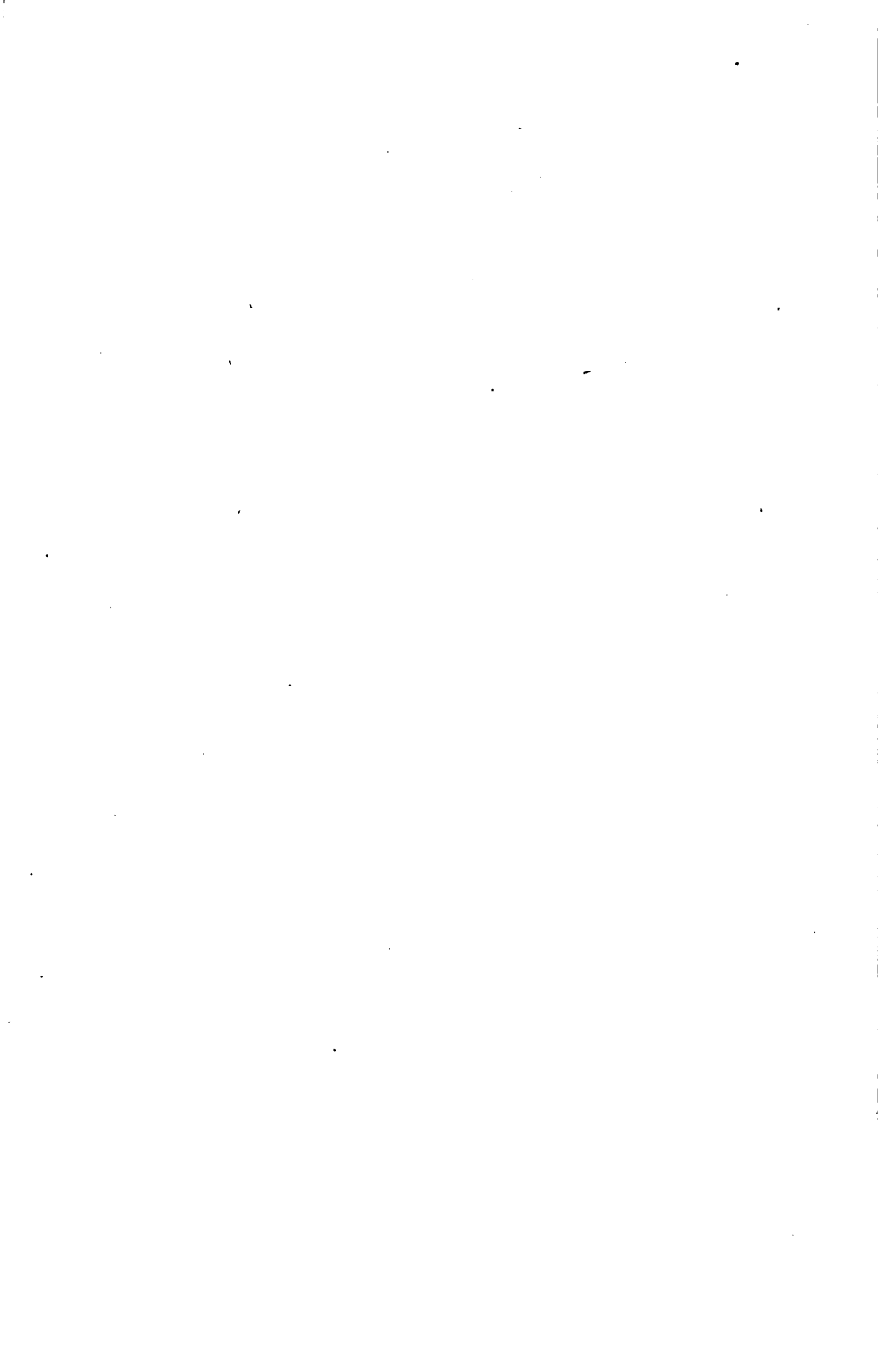
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STUDIES IN HISTORY
ECONOMICS AND
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EDITED BY
THE FACULTY OF POLITICAL SCIENCE
OF COLUMBIA UNIVERSITY

VOLUME TWENTY-SIXTH

New York
THE COLUMBIA UNIVERSITY PRESS
THE MACMILLAN COMPANY, AGENTS
LONDON: P. S. KING & SON
1907

July 3-17, 1907.

From The Publishers
and

Quarterly Journal of Economics.

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STUDIES IN HISTORY, ECONOMICS AND PUBLIC LAW

EDITED BY THE FACULTY OF POLITICAL SCIENCE OF
COLUMBIA UNIVERSITY

Volume XXVI]

[Number

TRADE AND CURRENCY IN EARLY OREGON

A Study in the Commercial and Monetary History
of the Pacific Northwest

BY

JAMES HENRY GILBERT, Ph.D.

Sometime Garth Fellow in Economics



New York

THE COLUMBIA UNIVERSITY PRESS

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LONDON: P. S. KING & SON

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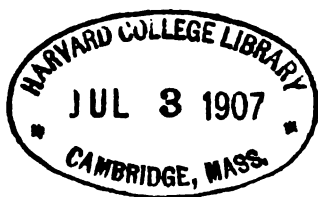
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PREFACE

THE author's acquaintance with the subject matter of the following monograph began some two years ago with an inquiry into the fiscal history of Oregon. As a result of that inquiry he was impressed by the rapid evolution through which the currency of the Pacific Northwest had passed and the opportunity it afforded for the study of an unusual variety of monetary facts. He at once undertook the task of tracing the development from the commodity currencies of the hunting and early agricultural periods to the solution of the legal-tender problem at the close of the Civil War. Further examination of the subject, however, made it clear that an adequate discussion of the monetary history was impossible without a concurrent treatment of trade, since the connection between the media of exchange and the nature of the transactions settled by them was in this case unusually close and vital. The circumstances under which the settlement of Oregon began compelled a reversion to the cruder forms of production and exchange. During the earlier stages of industrial development in this region the existence of the colony was dependent on the introduction of supplies from without, which, in turn, was contingent on the outgo of some staple product. At first furs were exchanged directly for assorted goods, then the process was complicated somewhat by the barter of wheat for furs; and finally agricultural products were exchanged for gold dust, which, through the operation of

coinage, became the metallic money of the Pacific Coast. It was the activity of the trader that imparted a high degree of exchangeability to the articles which attained successively to the rank of currency. Even in the later period, when the isolation of the settlement was partly overcome, the commercial position of the Pacific Coast States enabled them to reach a solution of the legal-tender problem which, under different circumstances, would have been impracticable. The relation between trade and currency was so intimate at every step that the periods in the development of the one coincide naturally with the stages in the evolution of the other. Thus the scope of the present work has been broadened to embrace a treatment of those facts which, under the time-worn division of economic science, are included under the head of Exchange.

The author is indebted to Mr. George H. Himes, Assistant Secretary and Curator of the Oregon Historical Society, for favors shown him and for suggestions offered while prosecuting his research; and to the Portland *Oregonian* for the use of rare newspaper files. He is also under obligations to Professor E. R. A. Seligman, Professor Henry R. Seager and Professor H. L. Moore of Columbia University who have assisted him in revising and preparing the work for publication.

J. H. G.

Columbia University, February, 1907.

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CHAPTER I

THE FUR TRADE, BRITISH MONOPOLY AND BEAVER CURRENCY

EVERY section of the new world has been, at some period in its history, an object of exploitative trade or industry. Fur traders, gold miners and treasure seekers have been the pioneers in the field of exploration and the precursors of civilization and a new economic order. With the failure of resources which invite to exploitation, men, who have traversed rich valleys in search of treasure or navigated majestic rivers in quest of fur-bearing animals, either settle there themselves or pilot others thither to till the soil, to build mills and factories and to freight the streams with the products of diversified industry. It was the trapper and hunter who first crossed the plains and penetrated the forests of the Pacific Northwest, for the earliest visitors had noticed an abundance of fur-bearing animals. The sea-otter found about the bays and inlets of the coast was clothed with a coat of extreme fineness unrivaled for its richness, softness and beauty. Farther inland were the mink and the marten, while forest, lake and stream were teeming with myriads of beavers. From the earliest times furs have been used for clothing and ornament, and, among civilized peoples, they constitute an article of comfort, fashion or luxury according to their quality and beauty. In Russia, China and Turkey during the seventeenth and eighteenth centuries furs formed a part of the official

garb of state, and were highly esteemed as marks of rank and distinction even among the male sex. Up to 1780 the supply of furs for these countries was largely drawn from northern Asia, but about this time the Siberian output failed very rapidly and became inadequate even for the oriental demand.¹

Attention was now directed to newer fields, and profitable communication was soon established between the native hunters of Alaska and the eastern market; it was reported that the first sea-otter skins from the Northwest sold in Chinese markets at from sixteen to twenty pounds.²

During the first half of the nineteenth century fur-bearing animals were hunted with such avidity that the supply fell off very rapidly, although the price remained nearly stationary owing to the substitution of other fabrics of silk, wool or cotton. Notwithstanding the relaxation of the demand and the rapid failure of the supply, however, the amount received by collectors of undressed furs in 1844 reached \$3,000,000, and for several years Oregon Territory supplied one million dollars' worth annually.³

The natives of the Northwest coast had long practiced the arts of hunting and had clothed their bodies in the skins of wild animals, but were wholly unacquainted with the artificial value imparted to some species of furs by social custom, and were, therefore, eager to exchange any surplus for European trinkets and cheap commodities. An abundance of valuable furs might be had for beads, knives, tobacco and spirits, and a rich harvest

¹ Irving, *Astoria*, p. 512.

² Bulfinch, *Oregon and Eldorado*, p. 2.

³ Greenhow, *Oregon and California*, p. 412.

awaited the trader who should first enter the Northwest region. The attention of the commercial world was first directed to Oregon Territory by the voyage which proved fatal to Captain Cook, the explorer. His successor, Captain James King, on his return made known the high prices which the furs of the sea-otter commanded in Chinese markets, and turned the attention of British merchants to the Pacific Northwest. A brisk trade was developed between the natives and the oriental market as early as 1786.¹

Not long after the Revolution American traders began to engage actively in the traffic along the coast, the first expedition being made from Boston in the ship *Columbia* and the sloop *Washington*, under the command of Kendrick and Gray, in 1788. Both vessels entered Nootka Sound and spent the summer of 1788 collecting furs. Captain Gray, in charge of the *Columbia*, then carried the furs to Canton and exchanged them for a shipload of teas and other Chinese merchandise. On his return to Boston it was found that the cargo scarcely paid the cost of the expedition.² In June, 1791, Gray again entered Fuca's Strait and traded with the Indians during the summer and following winter. Early in the spring he sailed southward along the coast and entered the mouth of the Columbia River where he spent three days trading with the natives. Strictly speaking, neither of these expeditions was worth while from the commercial standpoint, but merely served to open the way for a more profitable trade during the next twenty years. From a historical standpoint, however, the last-named expedition was of utmost importance, since Gray's dis-

¹ Twiss, *Oregon Territory*, p. 18.

² Bulfinch, *Oregon and Eldorado*, pp. 3-4.

covery of the Columbia River helped to establish our claim to Oregon Territory.

During the interval between 1792 and 1812 the traffic with the natives was carried on mainly by a group of Boston merchants. Trading vessels entered the bays and inlets along the coast and summoned the natives to bring on their peltries in canoes. Early in the nineties there were as many as twenty-one vessels plying along the coast, nearly all of which were the property of Boston merchants. They gave in exchange for furs West India products, British manufactured goods, and Spanish and Italian wines. After spending two summers collecting furs they would sail for China, sell the peltries, and return to Boston with a cargo of teas, spices, nankeens and other oriental products.

Up to 1812 British and American traders had merely crept along the coast and made no attempt to penetrate into the interior. No effort had been made to organize bands of trappers and hunters, but merchants had depended solely on traffic with the natives. It remained for the enterprise of John Jacob Astor, of New York, to lay the foundation of a great commercial scheme, which contemplated a vast increase in the possibilities of the trade by making all the interior tributary to the coast. Briefly, his plan was to found a chain of trading posts extending from the Mississippi Valley along the Missouri and Columbia rivers to the shores of the Pacific. From a central depot at the mouth of the Columbia all the interior posts could obtain their supplies, and hither all furs might be sent for final shipment. Coasting crafts, fitted out at the mouth of the Columbia, could carry on a prosperous trade with the natives along the coast. Supplies would be forwarded by an annual ship from New York, which, after discharging its cargo, could take on

a load of furs, market them in Canton and return to New York with a cargo of Chinese merchandise. The fullest possible development of the inland trade would contribute directly to Astor's cherished scheme of colonization and help to make his Pacific settlement "the germ of a new civilization beyond the Rockies."¹

In order to further the execution of his commercial project, Astor obtained a charter from the New York legislature for the American Fur Company with an initial capital of a million dollars and the privilege of increasing it to two million, if necessary. The whole capital was contributed by Astor himself, and, although the company took the form of a corporation, the New Yorker was the sole director.

The failure of such a promising scheme resulted from a series of mishaps involving the loss of ships and cargoes, the hazardous condition of trade during the war of 1812, and the persistent opposition of his Canadian rival, the Northwest Company, which steadily refused to enter into any agreement liable to defeat its purpose of securing a monopoly in the Northwest trade. Astor's party of one hundred and twenty arrived, in the *Tonquin*, at the mouth of the Columbia in March, 1811, and erected a fort on the present site of Astoria. A friendly trade was at once established with the natives in the vicinity, and, after the arrival of an overland party from Saint Louis, bands were sent out to establish five interior posts. Astor's men began to fear the hostility of the Northwest Company, whose traders were already in the valley of the Columbia and had begun to traffic with the Indians. The sites chosen by the American Fur Company were at the mouth of the Lewis River, at Lantou, at a

¹ Irving, *Astoria*, p. 39.

point six hundred miles up the Columbia, at a station on the east fork of the Lewis River, and at a point on the Willamette not far from its mouth. An effort was made to cultivate the friendship of the Indians and to encourage hunting and trapping.

Up to this point all went well; but before long a complete disaster was to overtake the *Tonquin*. After discharging her cargo at Astoria, the vessel sailed northward along the coast and engaged in traffic with the Indians. Too many savages were allowed to board the vessel at once and the crew were overpowered and slain, while the ship itself was wrecked by an explosion of the powder magazine. Having received no word from the *Tonquin* by the following spring, Astor despatched another supply ship, the *Beaver*, with a cargo of valuable merchandise. The vessel was to discharge a portion of its cargo at Astoria, then proceed northward along the coast to New Archangel for the purpose of supplying the Russian posts in Alaska. On returning to Astoria, she should complete her cargo of furs and sail for Canton. It appears that Astor had already entered into an agreement to supply the Russian traders in the north with goods and necessities in exchange for peltries at stipulated prices. It was a part of the agreement also that Alaskan furs should be carried to Canton and sold on commission and merchandise returned to the Russian posts.¹

The war was now in progress between the United States and Great Britain and the seas were swept by hostile fleets. Astor delayed sending the next annual supply ship lest it should be taken and plundered. Meanwhile the *Beaver* had reached Canton with the first cargo of furs, arriving in January, 1813. Here the captain was

¹ Irving, *Astoria*, p. 429.

offered \$150,000 for furs that had cost the company but little over \$25,000. Had the peltries been sold and the proceeds invested in nankeens the cargo would have yielded \$300,000 in New York. The captain, however, refused the offer, borrowed money on Astor's credit at eighteen per cent., and lay in the harbor while furs were declining in price and the war was wearing on to a close. In March, 1813, Astor sent a third supply ship, the *Lark*, which was caught in a storm off the coast of the Sandwich Islands, driven ashore, and plundered by the natives.

The partners at Astoria were now growing dissatisfied, and, in July, 1813, signed a manifesto setting forth the gloomy prospect and announcing their intention to abandon the enterprise on the first of June following, unless a supply ship arrived in the meantime with orders from New York. The reasons assigned for taking this step were the failure of supplies from without, the discouraging condition of the inland trade, and, above all, their inability to compete with the powerful and enterprising Northwest Company. The truth was that M'Dougal, who represented Astor's interests on the coast, courted rather than feared the competition of his rival. He had but lately left the service of the Northwesters for partnership with Astor, and his sympathies were still on the side of his Scotch comrades. The agents of the Northwest Company, too, seemed determined to take advantage of Astor's temporary embarrassment to dislodge him from the field. In two memorials to the British government they had complained that the American settlement at the mouth of the Columbia River and the vast scope of its commercial possibilities seriously menaced the trade of the Canadian company. As soon as the partners had announced their

intention of abandoning the enterprise, clerks, voyageurs and servants began deserting for the service of the rival company. Negotiations were now begun for the sale of the post with goods and furs to the Northwest Company, and, on the 16th of October, terms were agreed upon whereby the whole property of the American Fur Company was transferred for a consideration of \$58,000, or about one-fourth of its real worth.¹

The control of this vantage point at the mouth of the Columbia enabled the Canadian company to extend its posts and to take complete possession of the field opened up by Astor. Occupancy by the Northwest Company, however, was destined to be only temporary. Its plans were but half matured when it was forced to yield to a permanent tenant in the form of a great commercial monopoly created, like the East India Company, by royal charter, strengthened by sweeping grants of privilege, and destined soon to exercise, not only a commercial sway, but a quasi-political sovereignty over a dominion larger than many independent kingdoms.

In May, 1669, King Charles II of England incorporated by royal grant an association of traders with Prince Rupert at the head to be known as "The Governor and Company of Adventurers of England trading into Hudson's Bay." The grant comprised the "whole trade and commerce of all those seas, straits and bays, rivers, lakes, creeks and sounds, in whatsoever latitude they shall be, that lie within the entrance of the straits commonly called Hudson's Straits," together with all lands adjacent and tributary to them and not then actually possessed by any English subjects.² The region covered by the grant

¹ Greenhow, *History of Oregon and California*, pp. 303-304.

² See charter of the Hudson's Bay Company, reprinted in Greenhow, *History of Oregon and California*, pp. 465-466.

embraced an area of 2,250,000 square miles, or one-third that of Europe. The company and its successors were made lord proprietors of this vast domain, holding in fee simple in "free and common socage, and not *in capite* or by knight's services." For the privileges conferred no consideration was asked except an annual payment to King Charles or his heirs of two elks and two black beavers, and even this modest tribute should be rendered only when his majesty should visit Prince Rupert's Land.¹ In addition to commercial privileges, the charter conferred the right to make laws and impose penalties, provided they were not repugnant to the laws, statutes and customs of England. All other subjects of his majesty were forbidden under heavy penalties to "visit, haunt, frequent, trade, traffic or adventure" within the region drained by the streams emptying into Hudson's Bay. The original capital stock was, in 1676, £10,500, which was trebled in 1690 and again in 1720. At the latter date an additional subscription of £3150, likewise trebled, made the total capitalization £103,950.

The field for the Hudson's Bay Company's enterprise was both rich and extensive. Forest and stream abounded in what seemed to be an inexhaustible supply of fur-bearing animals, and the natives could be induced to take and sell the skins for a trifling compensation. At the outset traders found that a beaver skin might be had for a half-pound of glass beads, a half-pound of powder, a comb, a small looking-glass or a quart of brandy.* A gallon of liquor, which cost but twenty shillings, after being diluted one-half, would exchange for eight beaver skins worth six pounds; or, if the brandy were exchanged

¹ *Westminster Review*, July, 1867, p. 86.

* Bryce, *Remarkable History of the Hudson's Bay Company*, pp. 22-23.

for other skins, the return might be increased to eight pounds instead. A four-penny comb was known to exchange for a bear's skin worth two pounds.¹ The sheer lack of competition and the dependence of the natives on British traders for what soon assumed the importance of necessities in their sight—fire-arms and ammunition, not to mention blankets, beads and spirits—enabled the company to establish and to maintain a favorable tariff. Within fourteen years from the date of the charter the company was paying fifty per cent. dividends, while from 1690 to 1800 the profits averaged from sixty to seventy per cent.² From the conquest of Canada in 1762, French traders became almost extinct, and the trade of that country fell into the grasp of the Hudson's Bay Company as well.

But the harvest was so rich as to excite the cupidity of the unprivileged and to invite competition even within a territory covered by a chartered monopoly. In 1787 the Northwest Company was organized as a partnership in Montreal, and, about 1805, entered the domain of Prince Rupert's Land as a formidable and aggressive rival of the Hudson's Bay Company, and for a time menaced the security it had so long enjoyed. In the impending conflict the capital and chartered privileges were on the side of the English company, while the dash, daring and enterprise were on the side of its rival. The charter of the former conferred exclusive privileges of trade, while the Northwest Company was in the nature of an intruder with few rights save those it usurped. The Hudson's Bay Company had established certain posts at the mouth of streams and other accessible places and induced the natives to resort to these "factories" for purposes of

¹ Nicolay, *Oregon Territory*, p. 163.

² Bryce, *op. cit.*, p. 24.

trade; but the enterprising Northwesters carried the traffic into the lodges and hunting-grounds of the Indians. The officials and agents of the British company received fixed salaries, while the pay of the Northwesters was proportioned to their success. They received certain stipulated prices for furs, and the principals seldom questioned how they came by them. In many cases, too, Canadian traders were bound to the Northwest Company by debts they could not discharge, and so doomed to perpetual service. Goods were furnished in advance at exorbitant prices, and the partnership was charged with putting into circulation a depreciated "Northwest currency," worth only half as much as the regular Canadian currency. Earnings were reckoned in the latter, while goods were charged for at prices estimated in the former.¹

The traders of the Montreal company soon entered forbidden fields in every direction, reached out to Hudson's Bay, swarmed across prairies and mountains, and crept down the Columbia to its mouth. Competition between the rival companies, at first merely sharp and aggressive, developed into warfare characterized by barbarous battles fruitful in bloodshed and in pillage. At first the rivalry took the form of an attempt to induce the Indians by threat or promise to deal only with agents of one company. As the conflict deepened, however, servants of the Northwest Company forced entrance into the lodges of the British traders, seized their furs and then compelled the victims to sign statements to the effect that the property relinquished was not their own.

In 1811 Lord Selkirk obtained from the Hudson's

¹ Dunn, *Oregon Territory and the British North American Fur Trade*, p. 28.

Bay Company an extensive grant of land for the purpose of establishing agricultural settlements in the Red River district. A colony of Scotch farmers at this point threatened to be a grave hindrance to the Montreal company, since it lay directly on their route to the northwest, and from this region they were in the habit of drawing supplies for their posts. Despite the opposition of the Northwest Company, however, a colony of Scotch Highlanders was peaceably located there in 1812. In June, 1814, the governor of the new province issued a decree forbidding all persons, under pain of seizure and prosecution, from carrying out of the colony "any provision either of flesh, dried meat, grain or vegetables." A strict enforcement of the order would doubtless have dealt a fatal blow to the enterprise of the Canadian company by cutting off its supply of provisions; but the daring Northwesters resisted with such a show of violence that the Scotch farmers were frightened away and their homes were destroyed. During the following spring, when Selkirk again sent a colony of settlers to the Red River district, hostilities were resumed. Posts were seized and destroyed on both sides and on June 19, 1816, a pitched battle was fought in which the Highlanders were again routed and a score of their number, including Governor Semple, were slain.

Competition so ruinous to life and property could not fail to enlist the interest of Parliament, particularly when one of the rivals was a monopoly under royal charter. So severe had been the conflict that both companies were well-nigh impoverished, and the Hudson's Bay Company's dividends had dwindled from sixty or seventy

¹Greenhow, *History of Oregon and California*, p. 324; Simpson, *Narrative of a Journey round the World*, p. 43.

per cent. to nothing. The affair was taken up by Parliament in June, 1819, and the conduct of the rival companies was minutely investigated. By an act of July 2, 1821, the preamble of which lamented the "evils which have arisen from competition," the two companies were united under the title of the Hudson's Bay Company. It appears that an agreement "for putting an end to competition" had been signed by the partners of the Northwest Company and the governor of the Hudson's Bay Company in the preceding March, and the King was petitioned for an exclusive grant of trade to the consolidated companies. The new charter was for a period of twenty-one years and covered all that region northward and westward of the territories of the United States not incorporated in any British province or belonging to the dominion of any other country.¹ This designation covered Oregon Territory, which was already occupied by the Northwest Company, the ownership of which remained in dispute between the two governments until 1846. It was stipulated in the grant, however, that in that portion of America lying west of the Rocky Mountains, which, according to the convention of 1818 with the United States, was to remain free and open to the subjects and citizens of both nations, privileges of trade were not to be claimed or exercised to the exclusion of American citizens.²

During the interval between 1813 and 1821 the Northwest Company had held peaceful possession of the territory surrendered by the American Fur Company, but had done little to develop the trade. At the consolidation of the rival companies in 1821, all the stations were

¹ See Greenhow, *History of Oregon and California*, p. 474.

² *Ibid.*, p. 475.

occupied by the Hudson's Bay Company. Astoria, or Fort George as it was now called, was abandoned and Fort Vancouver, on the north side of the Columbia river about 120 miles from its mouth, became the commercial depot and the emporium of the fur trade in the Pacific Northwest. The treaty for joint occupancy of Oregon Territory by Great Britain and the United States proved, in reality, to be a concession in favor of single occupancy by the former. The union of the rival fur companies under a royal charter was a combination of dauntless energy with an abundance of capital, and the exposures incident to the Parliamentary investigation had led to a refinement of methods, John McLoughlin, an employee of the Montreal company, now became "chief factor" at Vancouver and took up the task of developing the trade in Oregon Territory. The Hudson's Bay Company soon dotted all the wild interior with its posts, locating six permanent stations on the coast and sixteen east of the Cascade Mountains. The streams were freighted with cargoes of outgoing merchandise and supplies and with incoming peltries, and soon the returns from the Vancouver station exceeded those of any other "factory" in the Northwest. Soon, too, the giant monopoly exercised an undisputed commercial sway over what is now Oregon, Washington and Idaho. As early as 1830 it was said, "The will of the Hudson's Bay Company is the supreme law of the land. The natives are subservient to it and the American traders dare not resist it."¹

There is nothing extraordinary about the supremacy of the Hudson's Bay Company within the territory designated by its charter, for British subjects were forbidden under heavy penalties to traffic within its borders; but

¹ Kelley, *Oregon Territory*, p. 76.

the Oregon country was theoretically open to the traders of both nations, and, within its boundaries, ascendancy in the trade must be in the nature of an acquisition and the consequence of larger capital or superior skill in excluding or suppressing competition. The rise of the British supremacy in the fur trade of Oregon Territory furnishes an interesting study of competition and of monopolistic behavior under the most elementary conditions. Up to 1848, or the close of the early agricultural period, when more extensive dealings were established with the outside world and the current of trade was turned southward on account of the gold discoveries in California, the economic history of the Pacific Northwest was conditioned by the enterprise of the Hudson's Bay Company, and, until that time, the account of American settlement and progress centers about a few fitful, and, for the most part, futile attempts to dispute its monopolistic sway. Early agriculture, as we shall see, had an inseparable connection with the fur trade, the surplus products of the soil being used to swell the annual shipment of furs. Let us then see, as an introduction to subsequent periods, how the Hudson's Bay Company's power in Oregon was established and maintained. We shall examine, first, the nature of its dealings with the Indians; secondly, its treatment of American competitors; and, thirdly, its attitude toward early immigration.

While the company always employed bands of trappers and hunters, the larger share of its furs were obtained by trade with the Indians. Realizing the importance of this traffic, agents of the company were expected to cultivate the friendship of the natives and to inspire respect and confidence. No longer subject to the stress of deadly competition, methods of traffic were freed from the evils of pillage and extortion and took on the aspect

of fair trade for mutual advantage. Seldom or never were acts of depredation and violence committed with the knowledge or sanction of the chief authorities. Knowing, too, that restless tribal warfare was destructive of trade, the company's agents sought to encourage peaceful pursuits by withholding ammunition from tribes which had once used it to hunt a human prey. Ammunition for legitimate purposes, on the other hand, was supplied in abundance, even where the Indian had no present means of making payment.

Once established, the trade was easily maintained and extended. By adopting the arms, implements, and clothing of civilized peoples without cultivating the arts of production the Indian became dependent on the Hudson's Bay Company as a source of indispensable supplies. Subsistence without guns, ammunition, fish-hooks, and blankets was, for the native, difficult if not altogether impossible. Whatever innate senses the redmen may have possessed they certainly had no inherent notion of the law of supply and demand. Variations in prices, being unaccountable, would arouse suspicion and distrust. The British traders retained the confidence of the natives by observing their lack of economic insight and, although allowance was made for transportation and prices were higher at inland posts than on the seaboard, the tariff for any particular locality was never varied.¹

In 1821 the directors of the consolidated companies are said to have set apart a portion of their annual profits "to be used for the express and avowed purpose of keeping Americans out of the trade, particularly those who wish to deal in furs."² The American

¹ Burnett, *Recollections of an Old Pioneer*, p. 146.

² Robertson, *Oregon Territory*. p. 48.

competitor usually made his appearance on the eastern border of the territory in the region next to the Rocky Mountains, where for a brief spell he plied a profitable trade. For the purpose of meeting competition in this neutral belt the British traders decided quite early to make special prices fully fifty per cent. below the American rate. Trappers and hunters employed by independent companies also received better offers for furs, obtained goods at lower prices, and were treated with such uniform justice and liberality that they were induced to desert their own countrymen for the better fortunes of British employment.¹ Prior to 1834 as many as eleven different fur companies had tried to gain a foothold in the territory, but all were forced by ruinous competition either to ply their trade in regions further south, to sell out to the Hudson's Bay Company and enter its service or to quit the fur trade altogether and seek a livelihood elsewhere.

A typical instance of unrelenting hostility on the part of the Hudson's Bay Company toward American enterprise is exhibited in the case of Captain Wyeth. In 1832 he entered the territory with a stock of merchandise to exchange for furs and salmon which he expected to sell in Chinese and American markets. An overland party established a trading post at Fort Hall on the Lewis River, one hundred miles north of Utah Lake. Another party, under the direction of Wyeth himself, sailed into the Columbia and located a fishing and trading post on Wappatoo Island at the mouth of the Willamette River. The last-named station was only a few miles from Fort Vancouver and the Hudson's Bay Company could not brook a rival so near. Compelled by competition to

¹ Farnham, *Travels*, p. 73.

abandon his Columbia River project, Wyeth now repaired to his remote fort on the headwaters of the Lewis River where he hoped to carry on the trade unmolested by the British company whose nearest post was then one hundred miles away. In 1835, however, the Hudson's Bay Company erected a temporary post on the Boise River, only twelve miles distant from Fort Hall, and put up the price of furs to a ruinous figure, at the same time paying for them in goods at fifty per cent. below the American rate. Though the agents of the British company treated Wyeth with outward courtesy, they made use of secret and underhand methods to destroy the profits of his trade.¹ In 1836 Captain Wyeth became convinced that competition with his generous yet aggressive and skilful antagonist was worse than futile and sold his post, together with his future prospects, to the Hudson's Bay Company, agreeing with the purchaser to quit the territory forever.

Long before 1840 the question of commercial supremacy in Oregon had been definitely settled. The Hudson's Bay Company controlled both the importation of supplies and the outgo of peltries for all that vast region drained by the Columbia and its tributaries. The reason assigned by Dunn for the total failure of American competition was a lack of organization, system and unity of purpose. He characterized American opposition as "a loose, dissipated, jealous thing, jealous, not only of British rivalry, but of American rivalry as well."² Still another powerful influence in favor of British dominance had been an intimate knowledge of the country

¹ *Twenty-fifth Congress, Third Session, House Report 101, p. 20.*

² *Dunn, Oregon Territory and the British North American Fur Trade, p. 156.*

and a certain amount of "hereditary prestige" with the natives. Moreover the bulk of the merchandise used by American traders had to be transported overland from points on the Mississippi or Missouri rivers while the Hudson's Bay Company enjoyed the advantage of water transportation for a distance of seven or eight hundred miles up the Columbia and its tributaries. But the most decisive advantage of all was that British traders could enter their goods at the mouth of the Columbia free of duty; while Americans paid from twenty-five to thirty, and in some cases sixty per cent., on articles best suited to the trade.¹

Visitors and missionaries were always received at the Hudson's Bay Company's establishments and treated with uniform kindness and were further aided in the attainment of their object so long as it was not commercial. To be at peace with the British monopoly one must renounce all connections with the trade. "When a man is known to have traded a beaver skin from an Indian," said a visitor in 1838, "he is ejected from the community."² A missionary for a long time established on the Columbia willingly acknowledged numerous acts of kindness shown him by the officials at Vancouver, but asserted, nevertheless, that he would not venture to purchase a beaver skin to make him a cap without first obtaining their consent.³ Such presumptuous encroachment on the domain of the trade was usually punished by denying the offender clothing and necessary supplies from the company's stores. This species of boycott generally

¹ *Twenty-fifth Congress, Second Session, Senate Report 470*, p. 10; *Twenty-first Congress, Second Session, Executive Document 39*, p. 17.

² Letter of J. K. Townsend in *Newark Advertiser*, reprinted in *Oregon Historical Society's Quarterly*, vol. iv., p. 200.

³ Greenhow, *Oregon and California*, p. 396, note.

proved a very effective means of discipline, for the "independent" hunters and trappers were scarcely less dependent on the British traders than the natives themselves.

Having once gained the exclusive privilege of trade with the natives, the company now sought to perpetuate the returns from the district by keeping it a great game preserve. So far as it was possible to check the Indian's natural impulse to destroy life, no trapping or hunting of fur-bearing animals was permitted during the summer season when the animals were breeding; and the natives were induced, wherever possible, to spare the young.¹

The officials of the company were naturally opposed to any colony, clearing or sign of cultivation as an encroachment on the domain of the fur trade. Civilization and agriculture are naturally irreconcilable with a traffic in furs; as settlers enter, fur-bearing animals must vanish. To keep that vast stretch of fertile country in a state of solitude was their chief concern, since only in solitude could fur-bearing animals thrive. The opposition of British traders to Wyeth and his associates had been prompted largely by their cherished schemes of colonization. As long as the country and the richness of its natural resources were known only to officials of the Hudson's Bay Company, they sought to discourage communication and diligently fostered the belief that Oregon Territory was a howling waste "in which the sole elements of life were the hunter and his prey." In the East and in the border states of the Mississippi Valley, whence the early emigrants set out for Oregon, reports had been circulated that the way across the plains and mountains was impassable or beset with lurking dangers and exceptional hardships. Agents of the Hudson's Bay Company

¹ Wilkes, George, *History of Oregon*, p. 30.

at Fort Hall, on the headwaters of the Lewis River, met the incoming immigrants and, by representing the road to the lower Columbia as impassable for vehicles of any description, induced them to abandon their wagons and implements of tillage. In some instances, too, immigrants were turned aside to California by misrepresenting or exaggerating the perils of a trip to Oregon.

But the far-sighted McLoughlin saw, when the company's directors did not, that the country possessed exceptional advantages for agriculture and grazing which could not long be concealed; and he foresaw as clearly the decline and ultimate extinction of the fur trade. The company had considerable sums invested in trading posts and equipment which could not be withdrawn without economic loss. As the harvest of furs failed the officials altered the character of their posts and prepared to exploit new sources of wealth by driving a trade of a different kind. Thus the later policy of the company became favorable to settlement, but only by those who would be subservient to its will and purpose. The aim was now to use the rich valleys of Oregon as asylums for retiring servants and employees, who had ceased to be of advantage to the company on account of advanced age unfitting them for the hardships of the chase, or those who had become superfluous through the decline of the fur trade in any particular locality. Planted on the fertile soil of the Willamette or Cowlitz valleys and bound almost as vassals to the commercial monopoly, whose paternal oversight they had come to regard as indispensable, these broken trappers and voyageurs might earn a livelihood and become a source of profit to their master by tilling the soil and raising the herds.

Having indicated in a general way the policies by which monopoly in the fur trade was established and

maintained, it remains to note briefly the character of the trade and the early fruits of monopolistic privilege.

From 1824 on Fort Vancouver became the commercial depot and rendezvous of the fur trade in the Pacific Northwest. All merchandise was landed here and distributed among the trading posts by means of numerous small boats, canoes, barges and sailing vessels plying up and down the streams and into bays and inlets along the coast. The season's harvest of furs was gathered here for storage and final shipment to England, and hither all accounts and reports were transmitted to be audited or settled. The yearly supply ship from London arrived early in the spring laden with a variety of wares, and, after discharging its cargo, usually made a side trip to the Russian posts of Alaska or to the Sandwich Islands, returning in August to take on the cargo of furs for England. Trappers and hunters as a rule returned from their annual trips late in the autumn and sojourned at Vancouver during the winter, where they were engaged in sorting, dusting and packing the furs for shipment.

The profits of the trade for the first decade or so after the establishment at Fort Vancouver were phenomenal. This station is said to have yielded far larger returns than any other "factory" in the Northwest, and the general prosperity of the company is attested by the fact that the capital was increased in 1824 to £400,000, though less than £30,000 had actually been paid in,¹ and, for the next ten years, the annual dividends averaged ten per cent., while the company was repeatedly adding to the fund for suppressing competition.² During the same period shares of stock commanded a premium of one hundred per cent.

¹ Gray, *History of Oregon*, p. 83.

² Wilkes, George, *History of Oregon*, p. 30.

The accounts and records of the Hudson's Bay Company's operations in Oregon have never been made public, and it is therefore impossible to give anything like a certain estimate of the profits accruing from the trade. All must be in the nature of collateral evidence. In 1828, Mr. Smith, of the firm of Smith, Jackson and Sublette, heard from the officials at Vancouver that the annual output of peltries included 30,000 beaver skins, besides otter skins and a quantity of small furs. The beaver skins alone, at New York prices, were valued at \$250,000.¹

According to estimates furnished by Brown's Political History (p. 47) the number of beaver skins collected by the Hudson's Bay Company from 1834 to 1837 averaged 76,796 annually, together with nearly the same number of marten and otter skins combined. The yearly shipments of furs from Vancouver during this period were probably valued at from \$300,000 to \$400,000, for which goods costing \$40,000 to \$50,000 had been exchanged. Toward the close of the decade 1830-1840, the returns from the company's posts in Oregon fell off very rapidly, and in some localities failed altogether. The decline was due, not to a failure on the part of British traders to engross the whole trade, but to an actual shrinkage in its volume. Fur-bearing animals became scarce, even extinct, in many localities, only a few being left in inaccessible places, where their capture was attended with increasing difficulty and expense. By 1840 the proceeds of the sales, even the quantity of furs obtained, had dwindled to barely half what they were in 1830.² The annual output of furs from this district was then estimated at \$138,000, for

¹ *Twenty-first Congress, Second Session, Executive Document 39, pp. 22-23.*

² *Robertson, Oregon Territory, p. 22.*

which goods to the prime cost of \$20,000 had been exchanged, which still left a margin of considerable profit. But the cost of transportation and distribution of goods, together with the expense of maintaining a body of factors, traders, clerks and servants, reduced the net profit to an insignificant sum. The cost of maintaining employees was, of course, a much larger item than wages, for ordinary servants of the company were engaged for a period of five years at an annual salary of from fifteen to seventeen pounds; and sailors on the coast vessels were paid at the rate of two pounds a month, the currency being reckoned at \$4 per pound.¹ Although the company monopolized the trade, and fixed the standard of value and prices, and, although in individual transactions, goods were seemingly bartered on favorable terms,² still large aggregate gains were seldom realized. Trappers and hunters were furnished with supplies in advance, and the season's catch was always uncertain, even if employees were honest enough to make full returns. John McLoughlin, "chief factor" at Vancouver, maintained that the profits of the fur trade in 1840 did not exceed \$10,000, and this estimate was perhaps not far from the truth.³

Among the more settled tribes of Oregon Territory, exchange by barter had prevailed from the earliest knowledge of the country, and crude forms of currency were employed by some. Thus Nicolay tells us that the Cayuse, Nez Perce and Walla Walla Indians were accustomed to meet the Shoshones or Snake tribes every year

¹ *Twenty-fifth Congress, Second Session, Senate Report 470*, pp. 8-9.

² The Hudson's Bay Company seldom allowed more than \$2.25 for a beaver skin worth \$7.50 in the New York market.

³ Hines, *History of Oregon*, p. 384; Robertson, *Oregon Territory*, p. 22.

at the junction of the Grande Ronde and Saptin rivers to barter salmon and horses for roots, skin lodges and elk and buffalo meat.¹ The natives of the lower Columbia region depended for a livelihood almost wholly on the annual run of salmon; while the tribes further inland made yearly excursions to the plains east of the Rockies in order to hunt the elk, the buffalo and other large game, and returned from the chase laden with dried meat and skins. Exchanges such as we have noticed were only the natural consequence of a difference in environment and occupation.

Among the coast tribes of what is now western Washington, lumps of copper were held in high esteem and the precious metal was received in exchange for fish and dried meat from the tribes further north. These chunks of copper were sometimes wrought into shields two and a half feet long and a foot wide, which were laboriously ornamented with crude figures of men and animals. Such implements of war were articles of great commercial value and were known to exchange for nine slaves.² The natives at the mouth of the Columbia regulated the price of articles by *haiqua* or *higua*, a milk-white shell of extreme hardness found in the neighborhood of Nootka Sound. The shells were of varying sizes and were graded and ranged on a string some six feet in length. Forty of a normal size made a fathom and were twice as valuable as the "fifty-to-a-fathom" variety.³

The Indian, already familiar with the idea of exchange

¹ Nicolay, *Oregon Territory*, p. 134.

² Dunn, *Oregon Territory and the British North American Fur Trade*, p. 193.

³ Dunn, *Oregon Territory and the British North American Fur Trade*, p. 193; also Simpson, *Narrative of a Journey round the World*, part i, pp. 117-118.

by barter and having a crude notion of currency, was easily schooled in the methods of trade introduced by the "King George Men" of the Hudson's Bay Company. Skins and furs, which formerly served the uses of everyday apparel, might be made to furnish a less cumbersome and more showy garb of English manufacture with beads, ribbons, paint and other articles of adornment besides an abundance of guns, ammunition and tobacco. During the whole course of dealings with the natives their wants were subject to little change or diversification and, had it not been for the necessity of supplying clerks and half-breed servants who had developed hybrid tastes, the articles demanded in trade would have been few in number and uniform in quality. Early missionaries strove to teach their converts the rudiments of agriculture, but there was little or no demand for even the crudest implements of tillage until the employees of the fur company forsook the chase for the more settled pursuit of agriculture.

The Indian soon learned that the beaver skin would exchange for any of the articles supplying the limited category of his wants and habitually classed it as a thing of certain value along with the lumps of copper, the ornamental shield, or the shining *haiqua*. Thus the beaver skin became a natural currency and passed everywhere as a medium of exchange even between the natives themselves.¹ The value of this commodity currency was fixed arbitrarily by the great commercial monopoly and its equivalent in goods set down in a tariff, or schedule, which might vary for different posts, but was rigidly adhered to in any single locality. In the lower Columbia district the customary price for a beaver

¹ *Twenty-fifth Congress, Third Session, House Report 101, p. 36.*

skin was ten shillings, or two dollars, and goods were reckoned at fifty per cent. advance on London invoice.¹ When furs were brought to Vancouver, 11s 6d might be allowed for a beaver skin, and the first American merchants received them at \$2.20.²

Though the beaver skin became the customary medium of exchange throughout the territory, it never performed the function of a common denominator or standard of value. White traders, already accustomed to the use of money, clung to the habit of expressing the value of goods in units of their monetary systems and of quoting prices of furs in the same medium. The concept of money as a measure of value was present, though the substance was lacking; and the process of barter was consummated by compounding two ratios which were expressions of the monetary value of goods exchanged. Until the Hudson's Bay Company's tariff was established, and in isolated regions where the schedule did not obtain, the ratio of exchange between goods and furs was determined by what Simpson calls "two or three hours of tumultuous higgling of the market."³ Knowing in advance that Indians were liable to put "trading prices" on their furs, British merchants sought to save their profits by asking equally high prices for their wares. This fact accounts for the abnormally high rate at which goods were sometimes exchanged, figures which cannot be accounted for after allowing for transportation and the customary profits of trade.

¹ *Twenty-fifth Congress, Second Session, Senate Report 470*, p. 10.

² S. A. Clark, *Stories of Early Oregon*, p. 244; Account Book of E. White, Oregon Historical Society's Collection.

³ Simpson, *Narrative of a Journey round the World*, pt. ii, p. 113.

CHAPTER II

EARLY AGRICULTURE, ALASKAN MARKET AND WHEAT CURRENCY

WHILE dealing with the attitude of the Hudson's Bay Company toward immigration, we took occasion to notice how, as the fur trade began to decline, the officials had favored the settlement of their own servants who could no longer find employment as hunters, trappers and voyageurs. It was natural that the Willamette Valley should become the seat of the first agricultural settlement, for, besides being near to the company's main depot at Fort Vancouver and having the advantage of easy water communication, it was by far the most fertile and genial region in the territory and presented the fewest obstacles to cultivation. It was described by early travelers as a large, rich plain, imbedded within a circle of mountains, with an abundant rainfall and possessing "every facility for pasturage and every capacity for cultivation."

About 1829 a few Canadian servants of the fur company settled in the neighborhood of Willamette falls; but about 1837 they removed to a point fifteen miles further up where they located on the fertile French Prairie. These early settlers were mainly engaged in herding stock, for a few cattle had been brought from the Spanish settlements in California and supplied to them by the Hudson's Bay Company. Presently others, still connected in an official way with the fur trade, opened farms in the

neighborhood and began to till the soil. The first American settlements were founded by missionaries who arrived between 1834 and 1837, bringing with them a few cattle and small quantities of seed wheat. They located in the same open prairie that had attracted the attention of the French Canadians. The early missionaries turned out to be of the thrifty sort, and, under the guise of teaching the Indians agriculture, opened farms which were cultivated by native converts and pupils of the mission school. Their possessions soon included large tracts of cultivated land and herds of cattle, horses and swine; their granaries were well filled with wheat, oats, barley and peas. Gradually the free American trapper, tired of the solitude, squatted here and contented himself with the tamer but less precarious life of the farmer. With the help of retired trappers and missionaries the transition from the fur trade to the agricultural régime had now fairly begun. Toward the southern end of the settlement the houses were grouped into the village of Champoege with schools, chapel, meeting-house and granaries. The population was extremely composite, consisting of missionaries and their converts, Canadian and American trappers, and half-breeds. This bare nucleus of an agricultural settlement contained in the fall of 1840, just before the tide of immigration really set in, some one hundred and thirty-seven Americans and sixty-three Canadians, who, if we except the active employees of the Hudson's Bay Company, constituted the entire white population of Oregon Territory.¹ By gradual accessions the number increased to 500 in 1841 of which fully one-half were American settlers.² The

¹ Gray, *History of Oregon*, pp. 192-193.

² Simpson, *Narrative*, p. 144.

first considerable immigration was that of 1843, which consisted of some 800 people under the leadership of Marcus Whitman. From now on the influx of immigrants made yearly additions to the population until it reached 13,000 in 1848. The majority of the settlers were engaged in agriculture, and dwelt in the Willamette and Cowlitz valleys and on the Clatsop Plain.

From the standpoint of commercial and monetary history the important fact connected with this period of transition is that the circumstances of settlement put these early colonists in a position of utter dependence on the Hudson's Bay Company and linked the fortunes of early agriculture with the enterprise of a giant fur company, which, in this particular locality, was itself undergoing a change and bending its energies to a new use of the country's resources. When the broken or superannuated trapper became a squatter, it was under the auspices of the concern which gave him leave. McLoughlin had furnished seed for the sowing and breadstuffs for use until the first crop could be harvested; the cattle they tended were not their own, but were returned after a time together with a stipulated share of the increase. American settlers, too, often reached Oregon in a penniless, even destitute, condition and the "chief factor" generously relieved their distress by supplying food, clothing and seed wheat until the crop of the ensuing year was ready for market. Disregarding for a moment the ministrations of the kindhearted McLoughlin, it would still be unsafe to assume that the economic development of the Pacific Northwest would have been more rapid and certain without the presence of the Hudson's Bay Company. The early settlers who came thither found themselves separated from the markets of the world, on one side, by high mountains and desert wastes,

and, on the other, by trackless sea. A certain amount of trade capital and transportation facilities—in a word, an established commercial relation with the outside world—was necessary at the very outset, and this was the contribution of the fur trade to the beginnings of agriculture. Without this requisite early settlers would have found themselves wanting not only the necessary articles of comfort but the ordinary implements of tillage with which to begin the cultivation of the soil. Early settlers were indebted to the Hudson's Bay Company for marketing the crop most readily produced and for supplying needed articles of consumption which the colony in its infancy was poorly equipped to produce. Recognizing their obligation to their commercial overlord, they found fault not with the nature of the service but with the size of the compensation, and complained that the British merchants added extortion to the ordinary business of trade. Sooner or later they began to lament the fact that conditions of life in Oregon, where they had hoped to lead an independent existence, had made them scarcely less dependent on the Hudson's Bay Company than its own apprenticed servants. The position of the new colony was not unlike that of a medieval vassal, who, while owing his very existence to an overlord, nevertheless complained of his exactions.

The new economy was, for a time at least, to have an inseparable connection with the fur trade; and the commerce growing out of it was to assume such shape that the Hudson's Bay Company could not be divested of its monopolistic control. Even before the advent of American settlers a trade circuit had been established between Oregon and the Russian posts of Alaska, where the products of the soil could find a market among traders who had hitherto brought their breadstuffs and provisions

from the other side of the Pacific. Here in the north-land the fur-bearing animal claimed the solitude, and the much-prized peltries could still be obtained by the traders of Oregon, if only they could employ the indirect method.

While the fur trade prospered and yielded its million dollars' worth of peltries every two or three years, no one thought of engaging in agriculture even to the limited extent of supplying provisions for the posts; but large importations were made from the Spanish settlements in California. Gradually officials began to see that the fur trade was doomed to extinction and that the enterprise of the company must be directed toward ends more consistent with the changed conditions of the country. If trading vessels were left to rely on furs for cargoes they must soon be compelled to return with empty holds; hired servants must become redundant fixtures and their services as hunters and trappers unprofitable. Between 1830 and 1840 the company and its officials began opening up farms of considerable extent, generally in the vicinity of trading posts. Early in the decade the farm at Fort Vancouver contained 1500 acres in a high state of cultivation. Other farms were located in the Cowlitz valley and on the Umpqua River.¹ Wheat was the principal product but fruit and vegetables were raised to some extent and dairy cows were kept on the farm at Nisqually and on Wappatoo Island. A threshing machine and a grist mill had been erected at Vancouver where the surplus grain was turned into flour for export. In 1835 the company built a saw mill at Vancouver and occasionally a cargo of lumber was sent

¹ Dunn, *Oregon Territory and the British North American Fur Trade*, p. 107.

to the Sandwich Islands where it sold for \$50 a thousand.¹ Thus from a traffic in furs the Hudson's Bay Company was turning its attention to farming, milling and exporting.

Seeing that Oregon was capable of producing flour, provisions and lumber in large quantities, the company realized the importance of controlling the market. It began by securing purchasers for the modest output of its own farms and then gradually extended the market to absorb the surplus of the whole territory. In 1839 the Hudson's Bay Company executed an agreement with the Russian traders of Kamtschatka to supply the posts in that region with provisions at fixed prices. Thither they sent flour, chiefly, but small quantities of beef and butter as well. The original stipulation called for the delivery of 8000 bushels of wheat annually, but later the quantity was greatly increased. Gradually the arrangement was expanded to include, not only provisions, but supplies of every description, to be delivered at Sitka and all northern posts. The contract price for British merchandise was said to be twenty-five per cent. advance on invoice cost in London. Payments for provisions and supplies were made in furs at stipulated prices, and the privilege virtually gave the Hudson's Bay Company a monopoly of the Alaskan trade.² Having engrossed the whole trade of Oregon, they were now reaching out for that of the Pacific.

But before the British traders could engage extensively in agriculture and coastwise trade a new company had to be formed, for it was doubtful whether the charter

¹ *Twenty-fifth Congress, Third Session, House Report 101*, p. 12.

² Dunn, *Oregon Territory and the British North American Fur Trade*, pp. 107-8; *Twenty-seventh Congress, Third Session, House Report*, 31, p. 76.

of the Hudson's Bay Company bestowed such privileges. Accordingly officials, agents and employees of the company organized a new association, under the name of the Puget Sound Agricultural Company, with a nominal capital of £200,000, the shares of which were held exclusively by themselves, Doctor McLoughlin being president and manager.¹ About ten per cent. of the capital was paid in and it is claimed that this amount was merely transferred from the fund set apart for suppressing competition in the fur trade, and that the object of this subsidiary corporation was to control the agricultural and stock business of the territory as the parent concern had controlled the traffic in furs.² Cattle were imported from California and England, farms were opened, and servants of the fur company, bound by contract to perform any service required, were put to work as agricultural laborers. Trading posts in many localities were transformed into thriving settlements; and the directors of the new company hoped soon to load the returning ships with hides, horn, tallow and wool in place of the customary cargoes of peltries. Under good management, the Puget Sound Agricultural Company began to prosper and established selling and purchasing agencies in San Francisco and the Sandwich Islands.³

From the outset wheat became the staple product of the American farmers, but the market outside the territory itself was completely under the control of the allied companies. As early as 1843 American merchants entered business at Oregon City and purchased small quantities of wheat in exchange for merchandise; but

¹ Farnham, *Travels*, pp. 440-441.

² Gray, *History of Oregon*, p. 67.

³ *Twenty-seventh Congress, Third Session, House Report 31*, p. 62.

this was only a secondary demand and rested primarily on the export to Russian posts which was secured by contract to the Hudson's Bay Company. The need of an independent market was severely felt, and settlers made repeated attempts to secure some arrangement with the federal government for supplying breadstuffs to the naval squadron in the Pacific. Such efforts proved of no avail, however, and the export and import trade of the colony remained under control of the British traders until 1848 or thereabouts.¹ Mills and warehouses were established at Oregon City, which became the natural market of the Willamette settlement, and at other convenient stations throughout the territory. At a price fixed by the British traders wheat was freely received, and, in exchange, a variety of goods might be had from the company's stores at fifty per cent. advance on London cost. Wheat, being the article most in demand and having the highest degree of exchangeability, was destined to supplant the beaver skin as territorial currency.

Various circumstances had combined to leave the settlement destitute of any other medium of exchange than that supplied by some standard commodity by creating a scarcity, almost an utter lack, of specie. The fur trade could well be carried on without the intervention of money. The Indians had nothing to sell but furs, and wanted nothing in exchange but arms, ammunition, blankets, beads and tobacco. The market for the former and the sole source of supply for the latter were alike the stores of the Hudson's Bay Company. When employees were discharged or quit the service of the company to become squatters in Oregon, any balance due them was

¹ Hastings, *Emigrants' Guide to Oregon and California*, p. 63; Robertson, *Oregon Territory*, p. 89.

not paid in cash, but book-credit was given for the requisite amount, payable in goods on demand. Those returning to Canada or Great Britain were furnished with drafts on Montreal or London. Early missionaries had drawn supplies from the British traders and tendered payment in drafts on their respective boards in Boston or New York, which instruments were collected through the Montreal or London offices of the company. Similarly federal officials, who at intervals visited the territory, had defrayed current expenses by means of drafts on departmental bureaus at Washington. The Alaskan trade of the Hudson's Bay Company consisted merely in bartering provisions and supplies for peltries; and, although the annual shipments of furs to England exceeded in value the importation of merchandise, the balance was retained at the London office. Any specie received at Vancouver was hoarded and forwarded to the home office, for the fur trader was interested in keeping coin out of circulation and thereby restricting the freedom of both buyers and sellers. Between natives and half-breeds the beaver skin was the customary medium, while more official transactions were settled by credit instruments.

Incoming immigrants had, moreover, brought with them little or no money. The slow, wearisome journey of two thousand miles had exhausted their strength and their purses as well. When they reached Fort Hall, a remote post on the headwaters of the Lewis River, and sought to replenish their stock of provisions, they found that flour was selling at \$1 a pint or \$40 per barrel. They arrived on the lower Columbia in destitute condition and were dependent on the "chief factor" for food and clothing and the first season's supplies. Says an old pioneer of 1844: "We brought no money from the States

and had none until the gold discovery in 1848. I remember taking in but twenty-five cents from any source from 1844 to 1848."¹ So frequent were the calls for assistance that in 1844 the Hudson's Bay Company established a branch store at Oregon City for the purpose of making advances to the needy. Orders in favor of settlers were issued from Fort Vancouver and goods were delivered in Oregon City. Payments were made in wheat when the crop of the following year was harvested. In 1846 it was estimated that fully four thousand of the settlers were indebted to John McLoughlin and the Hudson's Bay Company, and the total amount of advances had reached \$100,000. Relying on the Alaskan market, the Hudson's Bay Company had invariably received wheat in settlement of all debts, and custom had given it a debt-paying quality before there was any authoritative legislation on the point.

With the establishment of the provisional government in July, 1843, the American settlers asserted their rights to a measure of political freedom and challenged the Hudson's Bay Company's claims of arbitrary jurisdiction over them, but they were still bound to acknowledge their economic dependence. As agencies for supplying the necessary articles, American merchants proved but a "slender reliance," even though the settlers felt constrained to deal with them out of patriotic motives. Their stock of goods was inadequate, and, since trading vessels save those of the Hudson's Bay Company seldom entered the Columbia, the only chance of restocking was from the surplus stores of their British rivals. If any coin crept into the community it was not received at

¹ T. M. Ramsdall in *Oregon Pioneer Association Proceeding*, 1896, p. 109; see also F. X. Matthieu, *Oregon Historical Society's Quarterly*, vol. i., p. 102.

Fort Vancouver. It was even claimed by early settlers that merchants would sell more cheaply for produce than for cash, because they expected to make a profit on the commodity purchased. This means that traders were able to depress the price of staple products below their normal cash value. It was asserted further that goods could be had from the Hudson's Bay Company on more favorable terms by promising wheat at the ensuing harvest than by tendering coin.¹

Wheat thus became the regular medium of exchange, but not a circulating one, for the transaction usually took the form of transferring goods in return for an order on a merchant. The practice was to deposit a quantity of wheat at a store, warehouse or milling station, which, reckoned at the market price, gave rise to a credit and entitled the depositor to draw on a trading company for an amount not exceeding that sum. In case wheat was received at a granary, or depot, the warehouseman in charge issued a receipt stipulating the quantity and the price at which it was received; and this certificate passed current as money or might be deposited with the merchant owner of such warehouse and become subject to order. Thus a receipt issued by the Hudson's Bay Company's clerk at Champoege warehouse was worth its face in goods at Vancouver.² Merchants' orders based on a certain amount of "wheat-credit" became the current medium of payment for goods and services. The workman's wage, as well as the lawyer's fee, was settled by an order on the village storekeeper. Even the official who performed the mar-

¹ Letter of S. M. Gilmore, dated November 11, 1843, and published in *Western Journal*, March 15, 1845.

² F. X. Matthieu, *Oregon Historical Society's Quarterly*, vol. i., p. 102.

riage ceremony must accept the same currency for his fee or else tender his services gratuitously.¹ Promissory notes were often made payable in wheat to be delivered at some customary depot. Sometimes a given number of bushels was specified; again, a stated sum of money in wheat at the market price.² The first dues of the "wolf-organization," which later evolved into the provisional government, were payable in orders on Fort Vancouver, the mission or the milling station.³

The absence of specie, the general demand for wheat, and its customary acceptance as a medium of exchange justified the enactment of the Gray currency law by the provisional assembly in December, 1845, but the immediate occasion of the act was the fear of the Hudson's Bay Company's arbitrary power over its debtors. Settlers were owing large sums to the British company and their contracts called for the payment, not of a definite quantity of wheat, but of a particular sum of money. There was some uneasiness lest the Hudson's Bay Company should assert its legal right to compel payment in a medium which "did not then exist in sufficient quantity to meet the wants of the settlement."⁴ The provisional legislature in "An Act Relative to the Currency and Subjecting Property to Execution," declared that :

in addition to gold and silver, treasury drafts, approved orders on solvent merchants, and good merchantable wheat, at the market price, delivered at such place as it is customary for merchants to receive wheat at, shall be lawful tender for the payment of taxes and judgments rendered in the courts of

¹ Burnett, *Recollections of an Old Pioneer*, p. 184.

² See advertisement of lost notes by T. J. Hubbard in *Spectator*, January 6, 1848; also advertisement of George Davis, *Spectator*, May 27, 1847.

³ Gray, *History of Oregon*, p. 266.

⁴ *Ibid.*, p. 437.

Oregon Territory and for the payment of all debts contracted in Oregon Territory where no special contract has been made to the contrary.¹

An act supplementary to the main law provided that those who paid taxes in wheat should be required to deliver it at some stated depot or warehouse in the county or district where the taxpayer resided: at the Hudson's Bay Company's warehouse at Fort George, in Clatsop county; at Cowlitz Farm or Fort Vancouver warehouses, in Vancouver county; at the company's warehouse at Linnton or the store of F. W. Pettygrove, in Portland, Tualatin county; at the mills of John McLoughlin or the milling company, at Oregon City, in Clackamas county; at the milling company's warehouse at the Bute or at the Hudson's Bay Company's warehouse, at Champoege, in Champoege county; and at a point to be determined by the collector in Yamhill county.* These stations were "designated depositories" for territorial revenue, and the agent in charge issued a receipt, which, as evidence of a deposit in wheat, passed into the hands of the county or territorial treasurer, was credited to the taxpayer and then used by officials for the payment of claims against the government. These certificates were exchangeable for merchandise at some store connected with the depository mentioned.³ It is a significant fact that in every county but one a mill, store or warehouse of the Hudson's Bay Company was designated. Farmers quite gener-

¹ *Oregon Laws 1843-1849* (A. Bush, Salem, 1853), p. 33. ² *Ibid.*, p. 27.

³ The form of the receipt was as follows:

Received of _____, this ____ day of _____, 184____, the sum of _____ dollars and _____ cents, being the amount of his [territorial or district, as the case may be] tax, for the year of 184____, which amount is placed to the credit of [Oregon Territory or the District of _____, as the case may be] by me. A. B. C., Receiver of Revenue.

Dated at ———, this — day of ———, 184—.

ally took advantage of this convenient method of settling the yearly tax bill and a large share of the territorial expenses was discharged through the use of wheat receipts.

The currency bill was passed at the instance of Governor Abernethy, who, in his message of 1845, had recommended that, in addition to gold and silver, wheat should be made legal tender. The legislature went further and added orders on solvent merchants and treasury drafts. Merchants' orders, as we have seen, were drawn against a credit which owed its origin to a deposit of wheat. Treasury drafts were in the nature of treasury notes. During the first year of its existence the receipts of the provisional government had depended solely on voluntary contributions; and, owing to a reluctance on the part of settlers to submit to taxation, particularly on land, it was impossible to devise an adequate system of revenue. A deficit had arisen at the very outset, and treasury drafts on presentation became deferred claims against the government. The indebtedness of the territory just before the legislative session of December, 1846, was \$5,000, and the annual appropriations raised the amount to \$10,000.¹ Obligations of the government were usually met by issuing notes payable to order, signed by the treasurer, and bearing interest at six per cent. per annum. This territorial scrip was legal tender for all debts and public dues.² The report of the treas-

¹ *Spectator*, December 10, 1846 and December 24, 1846.

² The following is a sample of a treasury note:

\$5.00.

Oregon Territory

Promises to pay to the order of J. W. Nesmith, five dollars, with interest at the rate of six per cent. per annum from date.

WM. K. KILBOURN, Treas.

No. 508.

By N. Smith, Deputy.

See, *Oregon Pioneer Association Transactions*, 1880, p. 16: also letter of A. L. Lovejoy to J. W. Nesmith, dated December 21, 1846, in Oregon Historical Society's Collection.

urer of the Oregon Printing Association shows a receipt, on November 28, 1846, of \$300 in territorial scrip for printing laws, while numerous entries indicate that scrip was regularly received from individuals in payment of subscriptions. Subsequent to the currency law of 1845 taxes were payable in wheat, and indentured claims against the Territory were, like other forms of the heterogeneous currency, really on a wheat basis.

Treasury drafts and notes as well as orders on solvent merchants were negotiable and might by successive endorsements be used to settle a limited number of transactions. Indeed later forms of territorial scrip, particularly those issued after the refunding of the Cayuse war debt, were made payable to bearer and intended to circulate without the formality of endorsement. That earlier forms of scrip were frequently transferred is shown by notices, like that of George Davis in the *Spectator* of May 27, 1847, in which he advertises the loss of two treasury drafts of December 1, 1846, for \$50, originally in favor of Peter H. Burnett and Andrew Hembree. A similar insertion on April 30, 1846, shows that A. Beers had in his possession orders on George Abernethy and A. McKinlay drawn in favor of Hord, Baker, Bailey, Gay, Cantell, Weston and bearer. The holder or payee of an order might deposit it with the merchant and receive credit against which future purchases were charged. There is, indeed, abundant evidence that book accounts and the principle of offset played no little part in the settlement of commercial transactions.¹

The currency legislation of 1845, though aimed directly at the arbitrary power of the Hudson's Bay Company

¹ See account book of E. White, mission agent, A. McKinlay and others in Oregon Historical Society's Collection.

and meant to shield the debtor, proved in reality a rather weak expedient. The provisional legislature might determine what should be lawful money, but the British monopoly reserved the right to "regulate the value thereof" by fixing the price of "merchantable wheat." The unchecked authority of the Hudson's Bay Company to set a price on the one staple article of export was a source of no little annoyance. As early as 1838, W. A. Slacum, of the United States navy, had sought to arouse the patriotism and banish the fears of the American settlers by assuring them that, when Oregon became a part of the national domain, farmers would realize \$1.50 a bushel for their wheat instead of fifty cents which was offered them at Fort Vancouver. Doubtless the Hudson's Bay Company prudently set a price low enough to allow a liberal margin of profit between the cost and the contract price with Russian traders, but self-interest operated to check extortion. Moreover, without the Alaskan market prepared by British traders as an outlet for the annual surplus, a glut in the domestic market might have rendered wheat well-nigh unsalable. Up to 1848 the demand from the north probably exceeded the over-supply in the local market, and the quantity received for export necessarily depended on the price offered. As long as the Hudson's Bay Company's mills and coasting vessels were not taxed to their full capacity in grinding and marketing the cereal, larger aggregate returns could be realized by making a moderate profit on many bushels than by exacting the largest unit gains on smaller quantities. Unusual accessions to the population, like that of 1845, strengthened the local demand for wheat and caused the trading company to advance its price, evidently with a view to securing the necessary supply. The customary price for wheat was 62½ cents per

bushel, but in 1841 and 1845 the market price rose to a dollar.

The Hudson's Bay Company not only fixed the price of the commodity currency but regulated the measure as well. In 1843 the settlers complained in a memorial to Congress that "they measured the wheat in a half bushel, called by them the 'imperial measure,' which is much larger than the standard measure of the United States."¹ The complaint goes on to say that agents of the company, not content with this advantage, resorted to the device of kicking the half-bushel to settle the contents, then filling it up and calling it fair measure. Later they introduced a standard larger than the first, and, instead of trusting to the foot to settle the grain, administered three vigorous blows with a stout club. Too much weight should not be attached to this overdrawn expression of prevalent discontent among the "anti-monopolistic" party; but we learn from collateral evidence that the evils complained of were not purely imaginary. Reverend Mr. Giffin testified that his wheat, when measured according to the standard bushel of the United States, held out at the rate of ten bushels for nine of the "imperial measure," and ventured the opinion that the "royal bushel" weighed at least seventy pounds.² We learn, too, from another source that the independent milling company at Willamette Falls was accustomed to exchange thirty-six pounds of flour for an American bushel and forty pounds for a "royal bushel."³ At any

¹ *Twenty-eighth Congress, First Session, Senate Document*, 105, pp. 2-3.

² *Spectator*, April 15, 1847. As a matter of fact the volume of the imperial bushel should have been 2,218.192 cubic inches as against 2,150.42 cubic inches for the standard bushel of the United States.

³ *Palmer's Journal*, p. 101; *Spectator*, December 24, 1846.

rate the evil complained of was notorious enough to call for remedial legislation, and, at the session of 1846, the "imperial bushel" was abolished by an act regulating weights and measures which ordained that a bushel of wheat should consist of sixty pounds neither more nor less.¹

Since early immigrants brought little or no money with them and the fur trade had been conducted without the use of coin, the transition to the agricultural stage compelled a resort to a commodity currency. As in the case of the tobacco currency of Virginia, wheat was chosen because it was the only product commanding any considerable market outside the territory itself. Immigrants, coming as they did from the border states along the Mississippi, and not from the industrial districts of the north, possessed little technical skill and the chief, almost the sole, occupation for a time was agriculture. The divers wants of the new colony could be supplied only through the channels of trade, and the furs, for which wheat could be exchanged in the north, sold readily in the markets of the world and commanded a supply of miscellaneous consumption goods. Both British and American merchants were as a rule "too liberal with their favors of credit" and allowed, even encouraged, early settlers to go heavily in debt. Recognizing the prevalence of debt and the insufficiency of specie, the legislature thought to save the debtor from possible ruin by adding wheat, orders on solvent merchants, and scrip to the list of legal tenders. The immediate effects of the currency law were salutary, since it served as a wholesome check on the extension of credit; and at first it was assailed only by the would-be debtor class.²

¹ *Spectator*, December 24, 1846.

² *Spectator*, May 14, 1846.

But this cumbersome and irregular medium of exchange had some striking defects, and its use contributed largely to the poverty and isolation of the settlement prior to the gold discoveries of 1848. In the first place the currency was lacking in uniformity. With regard to wheat the law sought to protect the creditor by prescribing a certain qualitative standard denoted by the word *merchable*. In actual practice, however, debts were usually settled by means of a wheat receipt, or by an order drawn against a credit originating in a deposit of wheat, and the receiving merchant, as arbiter between debtor and creditor, passed on the quality of the tender. Precisely here the difficulty arose, however, for although the market price of wheat was reasonably uniform throughout the territory, its exchange value, or purchasing power, which was transferred by a receipt or order, depended largely on the place of deposit. The law was attacked on the ground that it virtually constituted the merchant a banker without insuring his solvency, leaving that to the judgment of the creditor.¹ Default on the part of the merchant was not the chief source of danger, however, for, as a matter of fact, payment was usually made although not in the articles desired. None but the Hudson's Bay Company's stores kept anything approaching a complete line of goods. American merchants lacked capital and trading vessels necessary for an export and import trade, and their stocks soon dwindled to a mere remnant. An order was exchangeable only for what they had and this was often what the customer least wanted.² An order on the Hudson's Bay Company, on the other hand, would command an assortment of wares and came to have a cash value, or, as the settlers used to

¹ *Spectator*, November 25, 1847.

² *Palmer's Journal*, p. 117.

say, "It's as good as a beaver skin." Even the standard order of the fur company might be subject to temporary depreciation whenever the current stock of merchandise ran low, for the reserve could not be broken into until the arrival of the annual supply ship.

The value of scrip depended on the credit of the provisional government which was always an unstable thing on account of the uncertainty of its revenues. After the passage of the currency law in 1845, public dues, like private debts, were payable in wheat. The various elements in the heterogeneous currency came to have a value very divergent from their nominal worth, and the little coin that found its way into circulation began to command a premium. Two prices were quoted for goods or services according as payment was expected in coin or in "currency," and the cash price was commonly one-third lower. When the *Spectator* began publication the subscription price was fixed at \$5.00 per annum, but "owing to the peculiar condition of the currency," a discount of $33\frac{1}{3}$ per cent. was allowed for cash. In 1847, however, the cash price was raised to \$4.00.¹ When the Oregon Printing Association was organized, the price of shares was placed at \$10, and payment was evidently expected in cash; but the report of the treasurer shows that the majority of the stockholders paid in "currency" and at the rate of \$13.33 per share.² In November, 1846, John Fleming addressed the directors of the Printing Association, offering to publish the *Spectator* for \$900 per annum, "the payment to be made

¹ *Spectator*, August 6, 1846, and January 7, 1847; see also letter of George Abernethy to stockholders of Oregon Printing Association, dated December, 1847, in Oregon Historical Society's Collection.

² Report of Treasurer Oregon Printing Association, in Oregon Historical Society's Collection.

in the following manner, viz.: orders on solvent merchants and gold and silver, allowing $33\frac{1}{3}$ per cent. premium for the latter."¹ At times still larger inducements to cash payment were offered. In January, 1847, A. Husted advertised his farm and city property for sale and added, "If any person wishes to pay specie I will make a discount of fifty per cent."* To illustrate still further the range of discounts that were offered, the Hudson's Bay Company, during the winter of 1847 was selling flour at \$3 per hundred in currency and \$2.50 for cash.

That the confusion of the currency gave rise to legal, as well as practical, complications is shown by the case of Henry M. Knighton *vs.* Hugh Burns. The latter had executed a note for \$150 in November, 1845, payable on November 1, 1846. When suit was instituted for collection, the lower courts, including the circuit court of Clackamas county, rendered judgment for the plaintiff for the amount in currency, *excepting scrip*, which had been made legal tender by the act of December 12, 1845. When the case reached the supreme court of the territory, the fact was established that the debtor had twice tendered Oregon scrip, which was promptly refused. Judge Thornton upheld the decision of the lower courts, basing his ruling on Article I, Section 2, of the organic law of the territory, which contained the usual prohibition against impairing the obligation of contract. Any construction of the currency act admitting scrip as lawful money in the case would affect the terms of the original contract by creating a kind of legal tender not

¹ Letter of John Fleming to Directors, "Spectator Papers," Oregon Historical Society's Collection.

* *Spectator*, January 21, 1847.

contemplated by either party at the time of its execution, for the law recognizing treasury notes as a part of the currency was not passed for more than a month after.¹

A second defect of the currency was its failure to supply a convenient medium for settling smaller transactions. There was a dearth of specie, and fractional coins were almost, if not quite, unknown. The shortage of subsidiary coins was severely felt by merchants, who were at a loss how to make change. George Abernethy, a storekeeper at Oregon City, resorted to a novel device for supplying the need. Gathering up some fragments of stone left by the manufacture of Indian arrow heads, he shaped them up and glued about them pieces of paper on which were written the date, his initials and the amount they represented. These "rocks" were passed out as change, and were worth their face value in goods at some future date.²

But the most serious defect of the currency was its *insularity*, its lack of portability and its limited acceptability outside the colony itself. Its use retarded economic progress by favoring isolation and preventing the establishment of proper commercial relations with the outside world. An important function of money is to facilitate exchanges over broader areas than those within the compass of a barter economy. The adoption of a currency which passes readily throughout wider geographical areas has been followed by an ever-increasing expansion of markets and the promotion of intercourse between buyers and sellers more remote from each other. This growth of commercial relations has been accompanied by an increased diversification and localization of industry

¹ Opinion of Judge Thornton, printed in *Spectator*, June 24, 1847.

² *Oregon Native Sons, Magazine*, vol. i., p. 90.

which has enabled all trading peoples to participate in the advantages of production under the most favorable conditions. When a modern society is isolated and denied the advantages of exchange it is forced to diversify industry; and, since it is scarcely conceivable that any people possess equal facilities for the production of many things, the result is a loss in efficiency. Further waste is avoided only by a nice apportionment of labor and productive power between the trades. Since under the assumption the society can not supply its want by exchanging its surplus, the state of industry must give rise to neither. Such precise adjustment of production to consumption is possible only where industry has developed gradually in response to the growth and differentiation of wants. In new communities there is too often an unexchangeable surplus of one thing and an unavoidable scarcity of another. Trade within a limited area may be carried on with the help of a crude and rather cumbersome currency, wholly distinct from that of the outside world; but to maintain dealings with other peoples and to share in the benefits of unrestricted competition the community must furnish a medium of exchange possessing stability and certainty of value and a reasonable degree of compactness. The lack of such a medium in Oregon prior to 1848 forbade the entrance of trading vessels into the country more effectively than the Columbia River bar. If commercial operations had been confined to the area covered by the Willamette settlement, the farthest extremity of which was not over one hundred miles from the principal market at Fort Vancouver, no serious obstacles would have been encountered. But the new colony was equipped for producing only a few of the many articles needed by its members, and the

deficiency had to be supplied by buying from abroad. Since the chief industry was farming, the natural medium of purchase was a surplus of agricultural products, particularly wheat. It was just here that the difficulty arose. Independent traders from without would not unload cargoes of merchandise in Oregon except at very high prices, if they were obliged to accept wheat or flour in payment, for all accessible markets for breadstuffs were open only to the Hudson's Bay Company. American merchants who first established themselves in Oregon had no machinery for the manufacture of flour and failed to command the necessary means of transportation. These conditions fostered a British monopoly and enabled it to control the exportation of foodstuffs and the importation of merchandise and to fix the price on both purchases and sales.

The difficulties which had to be overcome before purchases could be made, even in an adjacent market, were well exemplified by the experience of the Willamette Cattle Company, organized in 1838 for the purpose of importing stock from California. The only available means of payment were found to be a quantity of wheat, credit on the books of the Hudson's Bay Company, and possible drafts of the missionary establishments on eastern boards, none of which could prove acceptable to the Spanish herdsmen in California. The difficulty would have been well-nigh insuperable had it not been for the presence of W. A. Slacum, of the United States navy, who furnished some ready cash in exchange for drafts on mission boards. The Hudson's Bay Company was induced to take \$800 worth of stock in the enterprise and provided additional specie. Through an interchange of store credit and orders the money was apportioned

among the shareholders and the association equipped with the necessary means of purchasing cattle.¹

The state of the currency was likewise responsible for the extreme difficulties encountered in financing the Cayuse Indian War in 1847. After the outbreak which culminated in the Whitman massacre it was incumbent on the territory to send a regiment of soldiers to the interior to quell the uprising and to rescue the captives. In December, 1847, a loan commission was appointed to provide for the expense of the expedition by pledging the credit of the government to the extent of \$100,000, if necessary. The only firm capable of making the necessary advances of money and goods was the Hudson's Bay Company, and to them the committee addressed an application for a loan. "Chief factor" Douglas replied, however, that he had no authority to grant loans or make any advances whatsoever on account of the Hudson's Bay Company. Cut off from this source of expected aid, financiers were forced to fall back on the resources of settlers in the Willamette Valley. Many of these, influenced by patriotic motives, made liberal advances. Contributions were, however, mainly in the form of produce, merchandise and orders on stores at Oregon City. Wheat passed as legal tender in the Willamette settlement, but could be transported to Eastern Oregon only with considerable difficulty and expense. Furthermore, of what use were "orders on solvent merchants" in Oregon City to an army operating in the region east of the mountains? The commission was obliged to offer a premium of $33\frac{1}{3}$ per cent. for cash and got very little at that. Philip Foster received a

¹ Gray, *History of Oregon*, p. 155; Slacum's Report, *Twenty-fifth Congress, Second Session, Senate Report 24*, p. 13; S. A. Clark, *Stories of Early Oregon*, p. 221.

bond for \$50 on payment of \$37.50 in coin, and John B. Price was tendered a \$25 note for \$18.75.¹ The best efforts of financiers were able to provide for only a part of the expenses of the commissary department; and, at the close of the war, the report of the commission, with that of the adjutant-general, shows that the campaign had cost the territory in the neighborhood of \$170,000, only a small fraction of which had been met by private subscriptions. By an act of 1848 the whole debt was refunded. Old scrip was exchanged and new notes issued, signed by the governor and secretary instead of the loan commissioners, and bearing interest at ten per cent. per annum. The scrip was made payable to bearer and it was hoped that confidence in the intention of the national government to assume the debt would enable creditors to realize something at once. The Thirty-first Congress, in 1851 made an appropriation of \$100,000 to be applied to the debt, and final settlement was reached by an additional grant of \$75,000 three years later.* Until such disposition of the debt was made, new scrip was given the legal-tender quality and circulated as a part of the heterogeneous currency.

The commercial and monetary situation gave rise to the "hard times" of 1847-1848, the phenomena of which were those of disproportionate production or of unequalized supplies. Wheat, which in earlier days became a natural medium of exchange because it was "purchased with avidity by the merchants," now became so plentiful that the surplus was unmanageable. Agitation was begun for the amendment of the currency law of 1845 and the repeal of the clause making wheat a legal

¹ Report of Loan Commission, *Oregon Archives*, 1843-49, p. 288.

² *Thirty-first Congress, First Session, House Journal*, p. 279; *Congressional Globe*, vol. 28, pt. iii, p. 2239.

tender.¹ In his message of December 7, 1847, Governor Abernethy advocated rescinding that portion of the act which made treasury drafts and orders on solvent merchants legal tender, but favored the continued acceptance of the former in payment of taxes and public dues. The recommendation was justified on the ground that gold and silver had become somewhat more plentiful and that coin might now be made the only legal tender without detriment to the community. The governor adds: "Still I think wheat had better remain in connection with gold and silver; it is a staple article and can always be disposed of to merchants and others."* The legislature took a different view of the matter, however, and passed an act repealing the entire section which made orders on solvent merchants, treasury drafts and wheat legal tender, and ordaining that henceforth "nothing but gold and silver shall be lawful tender in payment of judgments rendered in the courts of Oregon, where no special contract has been made to the contrary." Treasury drafts were retained as a lawful tender in the payment of taxes and salaries of public officials not otherwise provided for by law. The provisions of the act were not to apply to any contract or liability entered into previous to the fourth day of March, 1848, when it became a law.³ The action of the legislature was upheld on the ground that it was necessary to deprive wheat of its legal-tender quality in order to safeguard the interests of creditors.

While the granaries were bursting with wheat and mills

¹ See editorial in *Spectator*, November 25, 1847.

² Message of Governor Abernethy, in *Spectator*, December 25, 1847.

³ Law, approved December 20, 1847, published in *Spectator*, January 6, 1848.

and warehouses were packed with flour, there was a dearth of clothing, boots and shoes, groceries and manufactured articles. The natural fitness of the soil for the production of wheat, coupled with a brisk initial demand for the same, still further strengthened by legislation imparting a legal-tender quality, had directed the energies of the whole population to wheat-raising. The consequence was the accumulation of an unexchangeable surplus. Under a régime of active trade with dissimilar societies, such specialized use of natural resources at the outset might have proved a positive advantage. But the absence of effective competition gave rise to a scarcity and high prices of common articles of consumption. "Under the present system," said Thornton in his memorial of 1848, "prices are enormously high, being from 300 to 400 per cent. in advance of the retail prices of the Western States, after goods have paid a land and water carriage thither from the Atlantic seaboard."¹ The memorialist goes on to say (p. 14) that merchants, being without competition, are charged with establishing their own prices. Farm implements, tools and hardware were particularly dear, and the enterprise of the settler was discouraged at the very outset. An ordinary, cast-iron plow sold for \$45, and nails brought from 20 to 25 cents per pound. Axes sold at \$4.50 to \$6, and cross-cut saws at from \$8 to \$12. Groceries of the staple sort also commanded high prices, a medium grade of tea selling for \$1.50 per pound and coarse Sandwich Island sugar at from 12 to 15 cents. Common split leather shoes sold at \$5 a pair, and spelling books, worth 25 cents in the East, were held at \$1 in Oregon, while the settlers

¹ *Thirtieth Congress, First Session, Senate Miscellaneous Document* 143, pp. 11-12.

complained that their children were "growing up in ignorance."¹

The absence of an acceptable medium of exchange retarded the development of trade relations with the possible markets of the coast and the Sandwich Islands, and prevented the colony from exchanging a surplus of one kind for a much-needed sufficiency of another. As long as no new trade circuits could be established, existing markets were restricted and largely under the control of a single trading company; and the means of transportation were wholly inadequate. From March, 1845, to February, 1846, only nine crafts of any description entered the Columbia, and of these only two were independent trading vessels.* The Hudson's Bay Company regularly employed the barks *Vancouver* and *Cowlitz* and the schooner *Cadboro* to handle the coast and Island trade; but how feeble was the competition is shown by the record of shipping from 1840 to 1848. During this period but sixteen independent trading vessels entered the rivers of Oregon, and of these only six discharged cargoes of merchandise or supplies for the settlers. The remainder merely called at the mouth of the Columbia for shiploads of fish, lumber and provisions for California or the Island ports. The first attempt by American merchants to establish a direct trade with the Hawaiian Islands was made in the spring of 1845 when the *Chenamus* made a trip to Honolulu. This vessel appears to have made but one voyage; but in the spring of 1846 the Island trade was taken up by the American bark *Toulon*; and one year later the brig *Henry* began

¹ M. M. Carver in *Spectator*, August 20, 1846. On high prices see list in *Thornton's Memorial*; also *Palmer's Journal*, pp. 117-118.

* *Spectator*, February 5, 1846.

making regular trips between Oregon and California and the Hawaiian Islands.¹

Still another factor helped to create a deficiency in supply and abnormally high prices which were the "natural consequence of such unequal competition." This was the same commercial advantage the Hudson's Bay Company had possessed over Wyeth and early rivals in the fur trade. British merchants shipped their annual supply of goods direct from England free of duty, which enabled them, without loss, to undersell the American competitor.² The possession of such a decisive advantage tended to keep the potential competitor from the field or to force the actual competitor into an agreement to maintain prices arbitrarily fixed by the British monopoly. So feeble was the competition of American merchants that prices were actually higher after their advent than before. They complained bitterly of their inability to compete with the Hudson's Bay Company, and even petitioned the officials to put a higher price on their wares. In compliance with this request British traders raised the price on sales to American settlers while continuing to sell at the old figure to British subjects. This agreement was entered into for a period of two years.³ Thornton's memorial of 1848 asked for the collection of duties on foreign merchandise entered at the mouth of the Columbia as a means of protecting American merchants, equalizing competition and increasing the amount of goods brought into the country.⁴

¹ Bancroft, *History of Oregon*, vol. ii., pp. 15-18, note.

² Hastings, *Emigrants' Guide to Oregon and California*, p. 117.

³ *Palmer's Journal*, p. 117. On low prices previous to the coming of American merchants, see R. B. Sage, *Scenes in the Rocky Mountains*, p. 223.

⁴ *Thirtieth Congress, First Session, Senate Miscellaneous Document 143*, p. 11.

In a report of Neil M. Howison to the commander of the Pacific squadron, in February, 1848, we have this picture of the economic condition of Oregon:

The granaries are surcharged with wheat; the saw-mills are surrounded by piles of lumber as high as themselves. The grazier sells his beef at three cents a pound to a merchant who packs it in salt and deposits it in a warehouse to await the tardy arrival of some ship to take away a portion of the surplus.¹

This intolerable condition was charged to a combination of merchants and shippers for the purpose of oppressing the colonists in a twofold way, by refusing to ship produce for them and by forcing the acceptance of goods in exchange at prices "ruinous to the settlers and destructive to the country."² A bushel of wheat would exchange for only two and a half pounds of nails or three panes of window-glass. Naturally the Hudson's Bay Company, the largest and most powerful of trading establishments, had to bear the brunt of the blame. It was charged with making enormous profits on wheat which was purchased from the farmers, turned into flour and sold to incoming immigrants, or exported to the Hawaiian Islands. Estimates place the purchases of 1846 at 40,000 bushels, which were had at a total cost of \$24,000 in goods. This quantity turned into flour, after paying the customary toll to millers and receiving forty pounds per bushel, netted 1,600,000 pounds, which, at the usual price of four cents, sold for \$64,000. Deducting the original cost of the wheat, the net profit was \$40,000, or \$1 on every bushel purchased. If the flour was exported

¹ *Thirtieth Congress, First Session. Senate Miscellaneous Document* 143, p. 17.

² Rocky Mountain Boy, in *Spectator*, January 7, 1847.

to the Islands and sold at \$10 per barrel the return, after deducting the original cost of grain, freight and cooperage, would be \$34,800.¹ As a matter of fact these gains were greatly exaggerated, as a large share of the crop of 1846 was paid for at the rate of 80 cents per bushel, and the current price of flour at Vancouver was three cents in place of four.² A defender of the British company also contended that flour shipped to the Sandwich Islands in the spring of 1847 sold on six months' credit at \$8 a barrel.³ At any rate, the anti-monopolistic feeling found expression in very strong terms. A writer in the *Spectator* maintained that even the gold which the poor immigrant brought to the territory lost a part of its value. While in the States the sovereign was worth \$4.84, in Oregon it could be passed to "these all-controlling monopolies for but \$4.50."⁴

However much opinions might differ as to the special symptoms of the economic ills, all were agreed that the fundamental and aggravating cause was a lack of competition both between the buyers of produce and the sellers of merchandise. This condition was favored by the peculiar character of the currency and a lack of transportation between Oregon and accessible markets of the coast and Hawaiian Islands. The deficiency of shipping may have been due partly to the poor condition of the Columbia River mouth, but merchants were prone to exaggerate the perils of "this six-fathom channel" for the same reason that they were incensed at any publicity given to the schedule of current prices lest it should serve to invite competition. The *Spectator* said in an

¹ *Spectator*, April 20, 1847.

² *Ibid.*, February 4, 1847.

³ *Observer, Spectator*, March 4, 1847.

⁴ *Spectator*, January 7, 1847.

editorial on January 21, 1847: "The commerce of Oregon has hitherto been stunted in its growth—kept so conveniently small as to suit the avaricious desires of a few monopolists, who . . . have managed, up to the present to drive away and stave off competition in trade, the only safeguard people have against extortion." The conviction was general that conspiracy in trade was responsible for the continued scarcity of merchandise and the low price of wheat, and that under normal conditions, good prices might be had for produce while supplies could be obtained at a reduction of at least one hundred per cent.

Any effective resistance to the organized greed of merchants could scarcely be expected from without, and the sole remedy was to establish a rival trading company among the colonists themselves. The practical obstacle in the way of this scheme was a lack of convertible capital, the only available fund being a surplus of wheat. Before this asset could be utilized a resource of a different kind was necessary to provide shipping facilities. Since the credit of a single individual, or even of a small group of individuals, was insufficient for the requisite step, it was hoped that the co-operation of farmers and the aggregation of resources would accomplish the desired end. The formation of a "grand and combined exporting company" had doubtless been agitated during the autumn of 1846, but the first definite proposal appeared in the *Spectator* of January 7, 1847—"a plan for relief dictated by necessity." The project was to induce nearly every farmer to subscribe for at least one share in a mercantile company, to be paid for by the delivery of one hundred bushels of wheat at a common mill, granary or store-room. The management was to be entrusted to a president and a board of directors, organized under a constitution, and elected annually by the shareholders.

The life of the corporation was to be at least five years. Officers were to direct the sale and shipment of produce, and to regulate the price on merchandise belonging to the company. It was planned to pledge the credit of the association to charter a vessel for the initial voyage. At the return of the merchant ship each would be allowed to draw, at cost and carriage, every year, one-half or two-thirds of the value of his share in merchandise, the balance to remain until the end of five years as a common fund for acquiring ships and materials for erecting and equipping a mill. At the expiration of that time, if it should be deemed advisable, the company was to wind up its affairs and declare a complete dividend. Through the proposed plan it was hoped to "counteract successfully a system of mercantile extortion that had rarely had a parallel and which must bring poverty and wretchedness in the most fruitful country, . . . if tamely submitted to."¹

Steps were at once taken to arouse interest in the project and to secure the co-operation of the farmers throughout the agricultural districts of the valley. The first assembly was held at the Methodist meeting-house, in Tualatin plains, on Saturday, January 16, 1847. At an adjourned meeting held shortly after, a number of farmers discussed the best mode of disposing of their surplus produce, but the conclusion reached was adverse to the formation of a chartered company. As an alternative a committee was appointed to select some competent person at Oregon City "to act as agent for each and all in the shipment of produce and the importation of such goods as may be desired by them."² The citizens of Champoege county, however, seemed a little more en-

¹ *Spectator*, January 7, 1847.

² *Ibid.*, February 18, 1847.

thusiastic, and at the Salem meeting of February 25, 1847, the following resolutions were adopted :

Resolved, That in view of the grinding oppression and extortion to which the farmers and laboring classes generally are subjected by the few who monopolize the commercial business of Oregon, it is, therefore, highly expedient that the independent yeomenry of Oregon associate themselves together for the purpose of exporting their own produce and importing such necessities as the wants of the country demand.

It was decided also "to invite citizens in other portions of the country to act in concert with us in furtherance of this grand project," and a committee of correspondence was appointed for that purpose.¹

During the spring and summer the agitation seems gradually to have died out. The movement evinced a widespread desire for some measure of relief but failed of any practical outcome. The initial difficulties were encountered in attempting to organize the farmers dispersed throughout wide areas of sparsely settled territory. Then, too, the prospective shareholders were wholly unacquainted with business forms and usages which precluded an agreement with reference to the type of organization best suited to the end in view. Even if the movement had succeeded in its preliminary stages further progress was by no means assured. The credit of the co-operative company might have proved inadequate to secure the necessary agencies of transportation, in which case the undertaking would have resulted in nothing more than the collection of several thousand bushels of unsalable wheat in some common depot or warehouse.

But the collapse of the scheme was due in some

¹ *Spectator*, February 25, 1847.

measure to a partial relaxation of the spur of necessity to which it owed its origin. A combination of circumstances in 1847-48 created a demand for flour and lumber, and afforded a temporary relief to the overburdened market. The immigration of 1847 was unusually large, and, after the conquest and settlement of California by Americans, a brisk demand for wheat and supplies caused independent traders to enter the markets of Oregon as buyers of produce. In June, 1847, it was estimated that 20,000 barrels of Oregon flour could find a market in California; and before the arrival of the first considerable cargo by the *Toulon* it was selling in small quantities at from \$25 to \$30 per barrel. The shipload by the *Toulon* sold readily at \$15, thus netting a profit of nearly \$10 a barrel.¹ Trade relations once established with the growing settlements to the south were destined to permanent and phenomenal expansion through an event which revolutionized the economic history of the Pacific coast, broke down the barriers which had so long circumscribed the Oregon colony, gave it a currency uniform with that of the commercial world, and emancipated it from the sway of a British monopoly.

¹ Letter of C. E. Pickett to General McCarver, P. H. Burnett, Colonel Ford and D. Waldo, published in *Spectator*, June 10, 1847.

CHAPTER III

CALIFORNIA MARKET, GOLD DUST AND PRIVATE COINAGE

THE population of Oregon Territory in 1848 included about 13,000 whites, the majority of whom were living on farms scattered throughout the Willamette Valley. Oregon City, the largest and most important town in the territory, had a population of eight hundred; Salem was a mere hamlet; and Portland, soon to become the metropolis, was a village of one hundred people. Excepting agriculture, the only industries worthy of mention were represented by eight flouring mills and fifteen sawmills, two of each class being located at Oregon City.¹ The population was almost exclusively engaged in tilling the soil, and practically no farm machinery was in use.² The trades were poorly represented. Blacksmiths, carpenters, masons, millwrights, cabinetmakers and printers were scarce, and could command wages of \$5 a day, as against \$1 for unskilled labor.³ Almost the sole articles of export were flour and lumber, which found a market in Alaska and the Sandwich Islands. For April, 1847, the exports included 1736 barrels of flour and 171,000 feet of lumber, and these figures may

¹ Thornton, *Oregon and California in 1848*, vol. i., pp. 329-330.

² Cole, S. E., *Stories of Early Oregon*, pp. 35-36.

³ Thornton, *op. cit.*, vol. ii., p. 252.

be taken as fairly representative of the shipments during the early part of 1848.

Evidence is not lacking to show that the credit of the gold discovery in California belongs to an Oregonian, James A. Bennett, who, until 1846, lived at Salem, and was employed as a millwright at the Methodist mission. In that year he went to California with Captain Sutter, and was, according to some, the first to set eyes on the shining particles in the mill-race.¹ But whether the distinction for the find, which so profoundly modified the economic history of the Pacific Coast and of the whole world, belongs to Marshall or to Bennett, at any rate Oregon and its people were the first to profit by the disclosure, not alone through an early access to the mines, but, in a larger degree, through the creation of a contiguous market for which the accumulated surplus of provisions and lumber was only a partial supply, and for which the annual production of the whole Pacific Slope was for several years inadequate.

The first news of the discovery of gold in California reached Oregon in August, 1848, when the farmers were busy with the harvest. The report that men were taking an average of \$100 a day from the placers caused an exodus of fortune-seekers by sea and by land, which continued until the following spring and threatened the territory with depopulation. Land claims were deserted and cultivated farms were abandoned to women and children. Burnett estimates that two-thirds of the men capable of bearing arms departed during the first season. All occupations were affected alike. The *Spectator* suspended publication with the issue of September 7, "be-

¹See Manuscript Account of A. B. Roberts, in Oregon Historical Society's Collection.

cause the printer with 3000 of officers, lawyers, physicians, farmers and mechanics were leaving for the gold fields."¹

The adventurers from Oregon, being among the first to reach the diggings, were among the most successful; but those who remained at home to harvest the crops, to market the surplus grain and lumber, to sow again, and to keep the mills running day and night fared even better than those who left. By the end of 1849 the population of California reached 100,000, and this phenomenal influx of immigration, coupled with a desertion of farms for placer mining, created an extraordinary market for the products of the Pacific Slope. The demand was effective since it was reinforced by ability to pay and that, too, in an acceptable medium.

Nothing is more striking than the way in which transportation facilities responded to the urgent need and the splendid opportunity for trade between Oregon and California. Merchant ships, which shortly before had shunned the ports of Oregon, now thronged the rivers for shiploads of provisions and lumber. There were more than fifty arrivals and departures during the year 1849 as against five for 1847; and in October twenty vessels lay in the river at once awaiting cargoes. Portland, at the head of the easy navigation on the Willamette, sprang into a thriving port. The market was now seeking the product, and provision stores and purchasing agencies were established everywhere throughout the territory.

But Oregon did not profit immediately through the phenomenal rise of prices in California. On the contrary, until competition between buyers of produce had bid up prices in the former market and similar rivalry between

¹ *Spectator*, September 7, 1848.

sellers had reduced them in the latter, enormous profits were realized by traders who took advantage of a difference in price levels. In December, 1848 flour, which was selling in San Francisco for \$25 a barrel, could be had in Oregon for \$10.¹ The *Spectator* observed that many farmers "complained bitterly and justly at the small prices which they received for their produce at home while such high prices were received for it in California." The editor expressed a hope, however, that competition would tend to equalize prices at different points and recommended the holding of flour at \$15 per barrel. Through a fair understanding farmers and merchants might share the profit and be benefited in the same degree.² In February, 1849 flour was quoted in the Oregon markets at from \$12 to \$15 per barrel and the following autumn none sold at less than \$15. Wheat had risen from 62½ cents to \$2 and lumber was quoted at from \$80 to \$100 per thousand.³ But even when competition between buyers had accomplished its purpose, farmers and producers were not the first to profit by the rise. Quantities of wheat and non-perishable produce had been stored in mills and warehouses under merchants' options at reasonable figures. Wheat at 75 cents per bushel might be turned into flour and sold at \$12 or \$15 a barrel. The merchant and miller merely appropriated the difference.

It is to be regretted that no unbroken record of prices is obtainable for the years immediately succeeding the gold discoveries. Only random and scanty quotations appear in the *Spectator*. The following table gives an

¹ *Spectator*, December 28, 1848. Other San Francisco prices were: pork, \$60 per barrel; butter and cheese, \$1 per pound; potatoes, 11 cents per pound; lumber, \$120 per thousand.

² *Ibid.*, December 28, 1848.

³ *Ibid.*, November 1, 1849.

imperfect record of prices covering a period of nearly two years (1849-1851):

ARTICLE.	Nov 1, 1849.	Apr. 18, 1850.	May 16, 1850.	June 11, 1850.	Dec. 19, 1850.	May 15, 1851.	July 22, 1851.
Flour, bbl.....	\$15	\$20	\$18	\$25	\$15	\$15	\$13
Wheat, bu.	\$2	\$2	\$2	\$2.50	\$1.50-\$2.00	\$1.50-\$2.00	\$1.25-\$1.50
Potatoes, bu.		\$7					
Eggs, doz.....			50 c.-75 c.	50 c.-75 c.		62½ c.-75 c.	62 c.-75 c.
Lumber, M.....	\$80-\$100	\$75-\$80		\$50-\$60	\$40-\$50	\$25-\$35	\$35-\$45

For the three leading articles of export, flour, wheat and lumber, the above record is fairly complete and shows that the price of the last-named commodity reached its maximum in the autumn of 1849, but by the summer of 1851 had declined fifty per cent. The price of breadstuffs rose steadily until July, 1850, and within a year had dropped one-half. The early decline in the price of lumber was due to the establishment of mills in California to supply the local demand. After the first flush of speculative excitement had subsided, agricultural operations were resumed in the valleys of California and some breadstuffs were imported from the East, which accounts for the shrinkage in the demand for wheat and flour from the north. At first there had been an equalization of prices in contiguous markets to be followed by the same adjustment between more remote ones.

On the whole it is safe to assume that for the three years immediately following the gold discoveries the prices of staple articles of export from Oregon were from 200 to 300 per cent. higher than for the preceding year. The circumstances of settlement in Oregon, the employment of a commodity currency, and the slackness of trade had resulted in the accumulation of an over-supply of

agricultural products. The opening of the California market afforded an opportunity for exchanging the surplus on favorable terms for a currency of a different kind. It was estimated by the business men of Oregon Territory that by the middle of January, 1849, before successful miners began returning and when trade relations with California had fairly been established, that fully \$400,000 worth of gold dust had found its way into the community.¹ Soon the Oregon emigrants, satisfied with their fortunes in the goldfields, began returning to their homes, their shops and offices, some being from \$30,000 to \$40,000 wealthier for the brief absence of less than a year. But the accumulations of returning miners were by no means the chief source of acquisition for the community as a whole. The export trade was far more important since returns for provisions and lumber, instead of being made in Sandwich Island sugar or Alaskan furs, were now made in gold dust.

This new currency first sold in bulk directly against other goods by the aid of scales, being received in settlement of obligations at a stated price per ounce. It diffused itself throughout the community, facilitated exchange, and helped to diversify industry, while affording purchasers a wider option between sellers. By the spring of 1849 the gold dust currency of Oregon had probably reached \$100 per capita, representing a large increase in purchasing power—and an opportunity for utilizing it was not long wanting. The rise in the price of what the people sold was accompanied by a corresponding rise in the price of what they wished to buy. In the autumn of 1849 ordinary cook stoves were quoted at from \$70 to \$130, and in less than two years from the

¹ *Spectator*, January 25, 1849.

date of the gold discovery the price of coarse brown sugar rose from 20 to 50 cents per pound.¹ The prevalence of such prices made Oregon a tempting market for the importer. The demand that had so long existed was now becoming effective. "At that time (1849)," said an old pioneer in 1883, "money was plentiful and goods of various kinds were brought in by ships from the East and indeed from all parts of the world."²

But although the metallic medium represented an improvement over wheat, orders on merchants, and territorial scrip, on account of its universally accepted value, its divisibility and portability, it still lacked two essentials of a perfect currency—homogeneity and cognizability.³ Weighing was at best a wasteful and irregular process, and the precious dust was too apt to be mixed with impurities. In a word, what the community needed was some uniform and authoritative standard of weight and fineness. In spite of the fact that the boundary question had been settled in June, 1846, Oregon was flooded with gold dust from the Sacramento before the territorial governor arrived to assert the authority of the United States, and the first federal mint on the Pacific Coast was not opened until 1854. The delay and indecision on the part of the federal government in assuming control had given rise to much dissatisfaction, and the demand for coinage seemed urgent and destined to be more or less enduring. The agitation for coinage originated with the holders of bullion, and the chief complaint was directed against the merchants who had arbitrarily fixed a low price for gold dust even where it

¹ See *Spectator*, November 1, 1849 and July 11, 1850.

² *Transactions of Oregon Pioneer Association*, 1883, p. 34.

³ For requisite qualities of money see Jevons, *Money and the Mechanism of Exchange*, chapter v.

was exchanged for goods. The object of the movement was not to raise the price of the uncoined metal above the true market rate, as is often the case, but rather to establish a rule of exchange in Oregon on a par with that which prevailed in the mining districts of California. The first miners, on returning from the south, where the current price of gold dust was \$16 an ounce, found that Oregon merchants could be induced to offer but \$11 in trade.¹ The collection of the Oregon Historical Society contains a number of old account books which furnish a trustworthy record of transactions in which the purchase and exchange of gold dust played a large part. Some of these show conclusively that the grievances against the merchants were well-founded. A ledger of A. McKinlay and Company, who kept a store at Oregon City, contains a gold-dust account, beginning at page 422. The first receipt of dust is registered on January 8, 1849, and reckoned at \$16 an ounce. Only a few transactions appear at this figure, however, and after January 25, the price seems to be uniformly \$12 an ounce. The record shows a receipt of 150 $\frac{1}{8}$ ounces up to March 22, 1849, at a total outlay of \$1,968.56 or an average of \$13.90 an ounce. In return for merchandise as much as \$16 is occasionally allowed, but several entries show only \$10 to \$11 where the exchange was evidently for cash. From January 8 to April 19 the firm accumulated nineteen pounds of gold dust, which was sent to J. N. Cushing, of San Francisco, at \$16 an ounce, yielding a total of \$3648. The cost of the remittance to McKinlay and Company represented but \$3,172.20 in cash and merchandise, and the sum of \$475.90 is passed to the profit account. Coins of every description were scarce at this

¹Curry, in *Transactions of Oregon Pioneer Association*, 1875, p. 72.

time and for some purposes possessed advantages over the crude metal. The person or firm having a stock on hand were able to exchange them for gold dust on favorable terms. The Hudson's Bay Company is said to have introduced a quantity of small silver, much needed in minor transactions, and with it to have forced the price of dust down until at one time they purchased gold at \$7 an ounce.¹

Thus while the need for coinage was universally recognized, the arguments in favor of a territorial mint were supported by deliberate calculations of the savings which would be realized for all but the merchant class through the conversion of gold dust into coin. It was estimated that by August 1, 1849, from \$1,500,000 to \$2,000,000 worth of gold would find its way into the territory; in January the dust was exchanging for coin at the rate of eleven or twelve dollars an ounce, or about two-thirds of its real value. "One-third of \$1,500,000 is \$500,000—an amount worth saving."²

When the Oregon legislature met in February, 1849, a petition was presented, signed by a number of citizens and setting forth the need for territorial coinage. The memorialists chafed at the delay of the United States in establishing a territorial government in Oregon, and lamented the greed of the merchants. Gold dust to the value of \$2,000,000 had already found its way into the settlement, and the amount was continually increasing. The holders of the uncoined metal lost by depreciation, merchants realized unfair gains, and all suffered inconvenience due to handling in the crude state and loss

¹ Notes of James Taylor, *Pioneer*, p. 11, in Oregon Historical Society's Collection.

² *Spectator*, January 25, 1849.

caused by frequent divisions.¹ The territory was cumbered with the Cayuse war debt, and legislators were inclined to foster any scheme which promised to yield an extraordinary revenue, particularly if it could find justification in some existing demand. Between the price of gold dust arbitrarily fixed by the merchants and its true monetary value there was a wide margin; and a portion of this possible profit might be diverted to the government by abstracting a liberal seigniorage while still realizing a saving to its subjects.

An act approved February 16, provided for the "weighing, assaying and stamping of gold," and authorized the establishment of a territorial mint at Oregon City. The preamble of the law alleged, as a justification for the act, that

large amounts of gold in dust and particles, mixed with other metals and impurities, is being brought to and bartered in this territory; and great impositions may be practiced upon the farmers, merchants and community generally of this territory by the introduction of spurious and impure metals, and great irregularities may exist in the scales and weights used by the individuals dealing in the said article.

The officers of the mint were to consist of a director, an assayer, a treasurer and a melter and coiner, who were to be elected annually by the territorial assembly and were to receive salaries of \$1,999 a year. The director was empowered to pledge the credit of the territory and the expected profits of the enterprise to provide the necessary equipment for putting the establishment into operation. The treasurer was authorized to purchase such bullion as had properly passed the assaying depart-

¹ *Oregon Archives, Manuscript*, 188.

ment, "allowing sixteen dollars and fifty cents for gold of virgin purity or twenty-four carats in fineness." Coinage was to take place without the admixture of any baser metals whatever. Only two pieces were authorized by the act, a five and a ten pennyweight piece valued at five and ten dollars respectively, and these coins were made legal tender throughout the territory. Both pieces were to be stamped with the appropriate Roman numeral on one side, while the opposite face was to bear the inscription "Oregon Territory" and the date of coinage around the edge with the arms of Oregon, probably the figure of a beaver, in the central space. All the disbursements of the mint, including the salaries of officers, were to be made in the pieces authorized by the act and the residuum of profit was to be applied to the Cayuse war debt. The offense of weighing and stamping gold in the territory, passing or attempting to pass coins known to be issued without the authority of the act was punishable by a fine of not less than one hundred dollars and imprisonment for not less than one year.¹

The act provided for the coinage of gold only and so did not have to deal with the troublesome question of the *ratio*. By purchasing fine gold at \$16.50 an ounce and converting it into legal-tender coins at the rate of \$20 an ounce the provisional government might have realized a gross profit of over twenty per cent. The standard gold dollar of Oregon Territory was to contain one pennyweight or twenty-four grains of pure gold as against 23.22 grains for the standard gold dollar of the United States. Not caring to be too particular about the weight of their coins, legislators evidently threw in

¹ *General Laws of Oregon, 1843-1849*, pp. 58-59; published first in *Spectator*, February 22, 1849.

the extra seventeen cents' worth in a five-dollar piece for the sake of good measure or, perhaps, to compensate for the lack of alloy.

The journal of the provisional legislature records but two objections to the passage of the coinage act. M. Crawford entered a protest on the ground that coinage was an exclusive function of the national government, and that as soon as Oregon became a territory of the United States, the mint must cease operations. It could scarcely be expected that the profits arising from the enterprise during its temporary existence would cover the cost of establishing and equipping the mint. W. J. Martin further contended that coinage, if undertaken at all, should be gratuitous. He protested that the act was "making the territory a shaving machine by allowing only \$16.50 an ounce [for bullion]."¹

The *Spectator* termed the law a "direct and deliberate insult to the federal government." Admitting the desirability of a mint, it contended that the provisional government was not the proper authority to establish it. The editor advocated rather a system of private coinage like that which once obtained in Georgia and North Carolina, where gold was weighed, assayed and stamped with the countenance of the federal authorities, who had even received the pieces in settlement of public dues. These precedents might have been followed in Oregon without deliberate disregard of constitutional law. The provisional government, however, sought to snatch from the United States the sovereign function of coinage by making the output of its mint legal tender and by attaching heavy penalties to the crime of counterfeiting.²

¹ *Oregon Archives, 1843-1849*, p. 315.

² Editorial in *Spectator*, February 22, 1849.

It must have pained the editor who had entered such a vigorous protest against territorial coinage to announce in another column that the Oregon mint was expected to open for business on March 10, 1849. But the provisional government was destined never to accomplish the task it had undertaken, for Joseph Lane, the first territorial governor under federal authority, reached Oregon on March 2, and, on the following day, issued a proclamation declaring it under the jurisdiction of the United States. The coinage law now became nugatory because in direct conflict with the national constitution.

But in reality the demand for coinage was not altered by the presence of a few federal officials in Oregon. A group of business men took up the enterprise where it had been interrupted by the national government. A meeting was held in the counting-room of Campbell and Smith in Oregon City and steps were taken to form a partnership for the purpose of engaging in the business of weighing and stamping gold. The organization was known as the Oregon Exchange Company and the names of the partners were William K. Kilborne, Theophilus Magruder, James Taylor, George Abernethy, William H. Willson, William H. Rector, John G. Campbell and Noyes Smith. From the fact that Taylor had been appointed director and Willson melter and coiner under the original act and that the legislature was petitioned to confer the privilege of coining on the new company,¹ it may be inferred that the aim was to carry out the purpose of the law without any official connection with the new territorial government. Mr. Rector was a man of some mechanical skill and undertook the

¹ Letter of John P. Rector in *Brown's Political History*, p. 457.

task of providing the rolling-mill and the dies for stamping. With the assistance of Thomas Powell, a Salem blacksmith, he fashioned a satisfactory machine. Tradition has it that the iron used in constructing the mill was obtained from old wagon tires and scraps that were lying about the shop. The crude engraving on the dies was done by Hamilton Campbell.

When the mint was ready for operation gold dust was purchased at the uniform rate of \$16 an ounce,¹ and in coining no effort was made to part the metal from impurities. Possibly to compensate for the lack of fineness, pieces were made heavier than those contemplated by the coinage act. The five-dollar piece contained 130 grains of "native gold;" the ten-dollar piece, twice as much. Thus the gold dollar of the Oregon Exchange Company contained twenty-six grains, with a moderate percentage of "native alloy." The output of the Exchange Company amounted in all to \$58,500, about \$30,000 of which were in the smaller denominations.* Realizing that the general acceptance of the money would depend on the public conviction that it contained the requisite amount of gold, the partners stamped on one side of their coins the words "Oregon Exchange Company" around the edge, and "10 D. 20 G. Native Gold 10 D." in the center of the larger piece and "130 G. Native Gold 5 D." on the smaller. On the opposite side of the five-dollar pieces were the initials of the several partners "K. M. T. A. W. R. C. S." forming a semicircle around the edge; and on the larger coins the

¹ Letter of J. G. Campbell to S. E. May, Secretary of State, "History of Mint established in 1849." *Messages and Documents*, 1865, p. 57; also *Statesman*, September 17, 1865.

* Brown, *Political History*, p. 454 *et seq.*; J. G. Campbell, cited above, fixes the amount issued at \$10,000—an unreliable estimate.

letters appear in the same position but with the omission of the "A" and the "W." In the central space of both coins was the figure of a beaver on a log, and, directly below, the inscription "O. T. 1849," on the larger coin, but with the letters reversed on the smaller. This new currency went by the name of "beaver money" and was a reminder of the days when hunting was the chief occupation in Oregon and the beaver skin passed as currency throughout the domain of the Hudson's Bay Company. The stamped pieces of the Exchange Company proved to be worth from eight to twelve per cent. more than standard coins of the same denominations and commanded a premium at the San Francisco mint which was established in 1854. They were rapidly retired from circulation and only a small number can now be found in coin collections, or, as much-prized relics, in the pockets of Oregon pioneers.¹

The demand for the weighing and stamping of gold, which had arisen out of a deficiency of coins for everyday business transactions, coupled with an abnormally low price of gold dust, had been met partly by the operations of the Oregon Exchange Company and in part by other economic forces, tending at the same time to raise the market price of the bullion and to increase the proportion of coin in circulation as compared with the crude metal. Merchants, who for a time made large profits on purchases of gold dust at from \$11 to \$12 an ounce, were soon accepting it in exchange for goods at \$16. The account book of the Oregon City merchant, already referred to, shows that, after April 23, the current price of gold dust was \$16; and a remittance of 22 pounds to J.

¹ The coins together with the dies may be seen in the office of the secretary of state at Salem, Oregon.

N. Cushing, on May 10, yielded but \$4.22 profit to the purchaser; a similar sale of nine pounds on May 21 gave rise to a surplus of only \$2.50.¹ In the *Spectator* of April 18, 1850 gold dust is quoted at \$15.50 an ounce for cash and \$16 in trade.

The results here noted had come about through three distinct causes. In the first place, competition between merchant buyers of dust had caused them to bid up the price and to eliminate the profit they sought to realize. The accumulations of gold dust were sent to San Francisco, where a quantity of coins, principally Mexican and Peruvian dollars, had found their way into the channels of trade. Steady importations of heterogeneous coins into Oregon in return for consignments of gold dust tended to relax the demand for a convenient medium of exchange and, at the same time, to check the avarice of money changers. Of like effect were the operations of returning miners. As long as the low price of gold dust persisted in Oregon, miners, homeward bound, would, on embarking from San Francisco, invest their holdings in specie at \$16 an ounce. Once in Oregon the bag of coin might be converted into gold dust at the rate of \$12 for an ounce; and thus, through the magic of two simple transactions, the harvest of the diggings was increased one-third. But every transaction of this sort tended to lessen the chances of further profit both by strengthening the demand for gold dust and by increasing the supply of coin. Variations between the exchange ratios of gold dust and coin were soon eliminated through these compound operations of purchase in the cheaper and sale in the dearer market.

¹ Account Book of A. McKinlay and Company, p. 432, in Oregon Historical Society's Collection.

Similar in effect, but simpler and more direct in operation, were the activities of the Oregon Exchange Company. As long as it continued to coin "beaver money," it purchased gold dust at the uniform rate of \$16 an ounce. True, only a mere fraction of the total amount in the Territory, probably not over three per cent., ever passed through the mint at Oregon City, but during its operation every ounce of gold dust in the Territory was potentially worth \$16, and the "mint price" established a norm for regulating the market.

Thus, long before the San Francisco mint was established, Oregon, as well as California, was supplied with a working volume of metallic money, consisting in a variety of coins ranging from the local output of "beaver money" to the silver coins of Mexico and the remote South American states, with a moderate admixture of English pieces which had been thrown into circulation through the agency of the Hudson's Bay Company. With the opening of the United States mint at San Francisco an opportunity was afforded for converting the foreign pieces into standard and subsidiary coins of the United States, which gradually supplanted them. The Pacific Coast was now supplied with a metallic currency more than adequate for the needs of business, which became a source of economic strength and the basis of a new industrial order.

The power of the Hudson's Bay Company over the settlement was at last completely overthrown, for it no longer controlled any considerable share of the export and import trade of the country. For a time the company sought to make the most of changed conditions by dealing in gold dust at profits which proved to be transitory. After the assumption of control by federal authorities in Oregon, British traders were obliged to pay duties

on all merchandise entered at the mouth of the Columbia, which robbed them of the advantage they had so long enjoyed over American competitors. The company now began to retire from Oregon and Washington and to transport its movable property to posts further north. Fort Vancouver was abandoned in 1860 and other posts deserted or left to Indian allies.¹ As a last act of extortion the allied companies asked for an indemnity of nearly \$5,000,000 for alleged loss of property in Oregon and Washington,² but after a long and tedious investigation of the claims a moderate compensation of \$650,000 was finally offered and accepted.³ When federal officials came to assume charge they found that almost every species of movable property had been withdrawn, lands were taken by British and American settlers, and there was little left for occupancy but a few dilapidated forts.

The economic situation had undergone a noticeable transformation since the gold discovery and the immediate outlook was not at all encouraging. Industry was prostrated and the utilization of other natural resources had been neglected for the more glittering prospect of the mines. In haste to reach the diggings, men had even failed to sow the customary crops; and, for the ensuing year, farms were left untenanted and fertile fields were lying waste. As the summer of 1849 approached it looked as if the few fields of grain would be "white for the harvest" but lacking the reaper. Mills that had furnished the first cargoes of flour and lumber for export were now standing idle for the want of laborers. The country had parted with the fruits of past industry and

¹ Bryce, *Remarkable History of the Hudson's Bay Company*, p. 413.

² See *Statesman*, June 26, 1865.

³ Bryce, *op. cit.*, p. 413; *Congressional Globe*, vol. 91, pt. iv, p. 3460.

current production was arrested. The revival of trade threatened to be checked by a complete suspension of industry. It seemed as if the sudden acquisitions of gold were soon to be drained from the country in exchange for necessary articles of consumption, only to be replenished at times through the prodigality of returning miners. Governor Lane even expressed fears lest the harvest of 1849 would prove insufficient for the needs of the territory itself, and that recourse must be had to the importation of food supplies.¹ Even the most sanguine saw that the outlay of the territory must soon exceed the income unless means were adopted and vigorously applied to draw out the resources of the country and to swell the volume of exports.²

The need for a suitable currency and an easily accessible market had both been met by the gold discovery in California; what the country now wanted was a quantity of productive labor and this was to be supplied by a return flow of immigration. Soon many of the miners, already satisfied with their fortunes in the gold fields, began returning in order to improve their farms, to beautify their homes, to build mills and factories and river boats, and to profit by the rise in prices and the increased activity of trade.³ The discovery of rich deposits of gold in Southern Oregon in 1852 served to attract the adventurous class, who became miners first and farmers or mechanics afterward. The prospect of taking a donation claim of 320 or 640 acres in the fertile valleys of Oregon also lured many thither when they had amassed a modest fortune in California and were casting about for a home or a promising field for investment.

¹ *Thirty-first Congress, First Session, Senate Document 52, p. 4.*

² *Spectator*, August 29, 1850.

³ *Thirty-first Congress, First Session, Senate Document 52, p. 9.*

The temporary suspension of production was followed not only by a revival but by a diversification of industry as well, and herein lie the permanent and salutary effects of the alteration in the commercial and monetary situation. The function of a currency is not only to facilitate trade as an end in itself, but, by furthering exchanges, to favor the division of labor as far as industrial reasons exist for its extension. The lack of trade relations with the commercial world prior to the gold discovery, as well as the sluggish condition of domestic trade, had imposed a penalty on effort more specialized than want. The artisan who applied himself to a single trade usually had to rely on the "coincidence of barter" for the proper disposition of his product and the satisfaction of his wants. With an adequate currency to facilitate the diffusion of products, workers were enabled to dispose of the fruits of their own industry, however varied, provided only they were fitted to satisfy an existing want, and with the proceeds could command at convenient seasons and in suitable form and quantity the products of other labor. The presence of money in abundance stimulated import trade because it created an alertness to put forward something which would buy gold; and it acted in a similar way toward domestic industry by constituting a spur to production as well as importation. Thus the very change which made Oregon a buying colony and favored the establishment of trade relations with the outside world so reacted on internal conditions as to lessen the need for such intercourse.

Nothing is more striking than the way in which the whole industrial life of the community underwent a transformation through the possibility of specialized labor and the chances for its profitable application to undeveloped resources. A sudden expansion of the currency, or the

possession of a larger purchasing power by the community, had occasioned a phenomenal rise in the price of many products, the raw material of which might be had for the taking. Although the cost of labor had risen, it responded more slowly to the impetus, and the rise in wages was scarcely commensurate with the rise in commodity prices.¹ For a time the margin of profit for the employer was widened and so furnished an extraordinary stimulus to production. Farms were supplied with better tools and implements; mills were equipped with better machinery; steamboats, even in excess of the actual demand,² thronged the rivers, while improved methods of transportation took the place of the "slow, painful pack-train." Though several years elapsed before the first railroad was in operation, the preliminary agitation for railroad building began in the winter of 1853-54, when the legislature granted charters to four railroad companies. The channel of the Willamette was widened below the falls and the stream was rendered navigable as far as Salem. A canal connected La Creole River with the Willamette and ferries were in some places discarded for bridges.³ Money which served to facilitate exchange by furnishing a convenient means of payment between buyer and seller, was now providing the necessary agencies for moving goods from place to place.

Oregon did not, however, escape the evils that commonly follow a sudden expansion of the currency. Conditions were peculiarly favorable to overspeculation, and the territory had to pass through a period of painful

¹ In 1849-1850 mechanics received from \$8 to \$10 a day and unskilled laborers from \$4 to \$5. See *Thirty-first Congress, First Session, Senate Document 52*, p. 4.

² *Spectator*, October 7, 1851.

³ Bancroft, *History of Oregon*, vol. ii., p. 256.

readjustment before industry could attain a healthy growth. The abnormal state of the market had exalted business enterprise to the point of rashness. For the less active members of the community unwonted prosperity too often led to extravagance, profligacy and sloth; for the oversanguine investor, to unwarranted speculation.¹ The quick spectacular successes in the California mines had dazzled the popular mind and made it impatient with steady industry and gradual accumulation. After the discovery of gold in northern California and the Rogue River Valley, a passion for prospecting, exploration and development seized the people. Valleys, hitherto unknown, were explored and platted, and towns were laid out in regions inhabited for the most part by Indians. Even in the settled portions of the Willamette the mania for starting new towns was so prevalent that none could attain any considerable growth. A visitor to Oregon City in 1850, when the population had scarcely reached a thousand, noticed that building lots, even on the outskirts of the town, could not be had for less than \$200, and that small wooden houses of two rooms rented at fabulous prices. The little village was even then planning costly promenades and other ornamental improvements.² Lured on by high prices and abnormal conditions of trade, the fearless investor embarked on industrial enterprises without estimating the strength and stability of the market. Indeed, the whole economic life of the territory was one in which sober, far-sighted calculations of the future played little part, and the reaction of 1854 was only the natural consequence.

The local depression seems to have set in some two or three years earlier than the national crisis, and, though

¹F. A. Chenoweth, *Oregon Pioneer Association Transactions*, 1883, p. 34.

²Coke, *Ride Over the Rocky Mountains*, p. 329.

traceable to similar causes, it was largely independent of general conditions. It was true of Oregon, and perhaps to a less degree of California, that they were more or less detached from the eastern half of the United States, and, in the wider market, were buyers rather than sellers. During the fiscal year 1853-54 the total foreign trade of Oregon amounted to a little over \$90,000. The causes of this depression were to a large degree engendered within and connected with a local excess of metallic money which could not readily find an outlet in foreign trade. Men and capital had been diverted from the more stable pursuit of agriculture to highly speculative undertakings. Surplus funds were invested in enterprises which failed to yield the expected returns or developed more slowly than their sanguine promoters had hoped. Although many mining properties, for example, turned out to be moderately productive, a large share of such undertakings nevertheless failed to repay even a small fraction of the sums spent in their development.

But there were some substantial reasons for the depression which grew out of the changed commercial relations with California. The brisk initial demand for flour and lumber was due, not to a scarcity of timber and agricultural resources within reach of the mining districts, but rather to a temporary deficiency in the means of utilization. Sawmills were soon erected on the same streams that had furnished the placer beds; and casual failures in the diggings sent scores of the less sanguine back to the farms but lately abandoned for the mines. The Oregon market began to suffer from a reduction in the price of staple articles of export. Although the depression of 1854 was severely felt, it was nevertheless of short duration; and before the national crisis of 1857 had fairly set in, the prosperity of Oregon Territory was again on a stable basis.

CHAPTER IV

CIVIL WAR, LEGAL TENDERS AND THE ADHERENCE TO COIN

PRIOR to the completion of the transcontinental railroad the commerce of Oregon, as well as that of the whole Pacific Coast, was conditioned by a certain degree of isolation, a lack of free intercourse with the outside world and with the eastern half of the United States; and this fact furnishes the key to the monetary history of the whole antecedent period. The surplus products of Oregon, Washington and California regularly found a market in the islands of the Pacific or in the neighboring ports along the coast. During the years 1862-1865 the total exports from Oregon to foreign ports amounted to \$504,549 while the foreign imports for the same period were but \$236,886.¹ Leaving out of account the domestic trade, then, the balance was in favor of Oregon to the extent of \$267,663. Naturally the Pacific Coast states were large users of manufactured articles purchased in eastern markets, and goods which might under different circumstances have been imported directly were, as a rule, entered at Atlantic ports whence they were consigned to traders in the far west. From this situation it happened that the favorable balance on foreign trade was paid to Oregon in gold, which had become almost the sole currency of the Pacific Coast

¹ *Commerce and Navigation*, 1863, p. 274; 1864 65, p. 324; 1865-66, p. 662.

region as a result of successive discoveries and extensive mining operations in California, Oregon, Idaho and Australia; while purchases in the eastern markets might be settled for in lawful money of the United States, whatever it happened to be. In case then of an attempted circulation of depreciated paper concurrently with gold, the Pacific Coast states occupied a position of advantage in being able to sell for the dearer and buy with the cheaper money. If now custom and law favored the use of gold as a medium for local transactions, specie might easily be retained notwithstanding the introduction of an inferior currency, provided only the latter were legal tender in the eastern markets. The volume of paper money would be kept down by the demands of domestic trade and the supply of gold could be kept up by regular accessions from abroad.

It was, then, the commercial position of the Pacific Coast region that contributed to a rather unique and interesting solution of the legal-tender problem during the civil war period. In Oregon, as in California, greenbacks were never used extensively in ordinary business transactions and never displaced gold and silver in such a measure as to become the standard of value. On the contrary, they always occupied the position of an auxiliary medium of exchange, or became subjects of speculative investment and were received or sold at fluctuating prices continually referable to the undisturbed standard of ante-bellum days. Incidental to the economic isolation of this western region was a certain degree of political insularity as well. On account of remoteness from the seat of the national government the Pacific states and territories had enjoyed the advantage of an independent existence and a measure of exemption from federal authority. The commercial and political situation was

obviously opposed to a disturbance of settled monetary standards, and favored both the restricted use of legal tender notes and the strict subordination of their value to that of gold; and local custom and law strongly inclined to the same end. The phenomenal output of the mines in California, Oregon and Idaho had supplied a metallic currency fully adequate to the needs of business. The community had long been accustomed to the exclusive use of coin and there was a stubborn determination to keep it. Being warned, too, by the experience of the past, Oregon and California had sought to rule out any competitor for hard money by forbidding the issue and circulation of bank bills. When delegates to the constitutional convention met at Salem, in 1857, some doubtless recalled the days of colonial Oregon when, besides gold and silver, wheat, orders on merchants and territorial scrip were all legal tender within the intention of the law; and the real values of some elements in this amorphous currency were widely divergent from their nominal value. Naturally they sought to prevent the recurrence of such inconvenience and confusion by ordaining in the fundamental law that no bank of issue should ever be chartered by the state government. Article XI, Section I of the state constitution is worded as follows:

“Nor shall any bank, company or institution exist in the State, with the privilege of making, issuing or putting into circulation any bill, check, certificate, promissory note, or other paper, or the paper of any bank, company or person to circulate as money.”

Such banks, came into existence prior to the establishment of the first national bank in September, 1865, were of necessity private or partnership concerns and were denied the privilege of issuing notes.¹ While in

¹The oldest banks in Oregon are those of Ladd and Tilton, estab-

the East, bank bills composed about one-half of the entire currency¹ and the circulation of legal-tender notes merely meant the substitution of one kind of paper for another, the circulating medium of the Pacific Coast was free from any admixture of this sort and the people were not prepared for the reception of greenbacks through any previous experience in state banking.

When, therefore, the first legal-tender notes, issued under the Congressional act of February 25, 1862, found their way into Oregon through the disbursements of the federal government, the commercial community was momentarily in doubt how to deal with this foreign element in the currency. Patriotic and loyal citizens began by declaring their willingness to accept the obligations of the national government at par. To them it seemed that to discount United States notes would tend to undermine public confidence, to impair the credit of the government, and possibly to affect the issue of the war. For a time the sentiment prevailed that, if only public opinion were generally in favor of accepting greenbacks at face value, this new species of currency would retain its legal-tender quality and be saved from depreciation. It would circulate freely and no one would lose in the transactions it settled provided everyone else was willing to account it as good as gold. The *Oregonian* of August 8, 1862 urged every loyal citizen "to join in an effort to sustain the credit of the government by receiving cheerfully the United States notes as the currency of the land. Let business men at once advertise to receive it in all their business operations, and thus they will give it currency."

lished in Portland in 1859, and of Ladd and Bush, at Salem, started in 1863. See Knox, *History of Banking*, p. 842.

¹ *Report of the Comptroller of the Currency*, 1902, p. 26.

On the third day of December, 1862, the citizens of The Dalles held a public meeting to consider the subject of legal-tender notes, and passed the following resolutions:

Resolved, That, in the opinion of this meeting, any person who shall in any manner attempt to depreciate the established currency of our government is considered by us an enemy of his country and unworthy of either the confidence or support of good citizens.

Resolved, That we, the laboring and producing citizens of The Dalles and vicinity, pledge ourselves to trade only with persons who are patriotic enough to take *the faith of the government at par*.

The correspondent of the *Evening Bulletin* reported that the second resolution was passed without a dissenting vote, and added that, in case it was adhered to, it would have a salutary effect on the future circulation of the much-abused greenbacks. "But alas," he continues, "human nature is powerful weak, and the experience of the world is that non-intercourse resolutions are oftener than otherwise a mere paper blockade, which each one of the resolvers quickly violates whenever pressed by his own convenience or necessity."¹ The *Oregonian* was, however, less sceptical about the efficacy of such resolutions, and urged that, "if merchants everywhere would resolve not to deal with any except those who take notes at par, all will soon do so."²

If a willingness to accept legal-tender notes at par was to be the established standard of patriotism, the whole community soon began to betray alarming symptoms of disloyalty, for the value of paper money fell off rapidly in

¹ Oregon Correspondent, in San Francisco *Evening Bulletin*, December 8, 1862.

² *Oregonian*, December 6, 1862.

spite of resolutions to maintain it. Those who refused to be bound by legal-tender provisions of the federal government urged as an excuse for their conduct that the constitution of their own state forbade the circulation of paper. The stand taken by The Dalles community was anomalous and could not well be maintained. Before long the merchants entered into an agreement to accept greenbacks, temporarily, at ninety cents on the dollar. They no longer passed at par for goods sold over the counter, though they were sometimes received in satisfaction of old debts.¹ Elsewhere the sentiment prevailed that the acceptance of legal tenders in considerable sums would necessitate a rise in prices and subject them to disturbance and change, and that the most disastrous state for a commercial community is one of uncertainty. Furthermore, high prices, resulting from inflation accompanied by an unsettled condition of industry, might result in overspeculation and attendant evils. Fears were also entertained that the use of depreciated paper would admit of shaving down debts and would enable banks to pay their patrons in greenbacks in return for deposits in gold. The development of the Pacific Northwest had followed close on the heels of the gold discovery and there was a widespread conviction that the prosperity owed its existence to the use of a metallic currency. Some were shrewd enough to see that large importations of paper must result in the displacement of gold. The sentiment gained support that, even if it were possible, by resolutions and agreements to maintain the parity of paper with gold, the new currency should not be treated more kindly in Oregon than in neighboring states lest business men should soon see

¹ *Statesman*, December 18, 1862.

"immense bales of treasury notes in place of the piles of gold they were accustomed to."¹ The solution of the problem seemed to consist in the establishment of a reliable market quotation for greenbacks uniform with that which obtained in contiguous markets, stating at what prices notes could be bought and sold and received in settlement of debts.

Early in November, 1862, the business men of San Francisco had taken steps to secure a circular agreement not to receive or pay out legal tenders at anything but market value—gold being adhered to as a standard. The aim was to secure the signatures of the leading firms in San Francisco and in the chief commercial centers of the interior. A customer who had once insisted on paying in greenbacks at par would have his name published among the signers of the merchants' agreement, and henceforth he should receive goods only on payment of gold in advance.² Banks refused to receive United States notes on deposit, and merchants and jobbers began marking their bills, "Payable in United States gold coin."

After such decisive action on the part of business men in California, even the most loyal citizens of Oregon were convinced that similar agreements must be adopted as protective measures. On November 25, the merchants of Salem met and passed a resolution to the effect that United States notes could not be adopted as a basis of the currency; but agreed temporarily to accept them at the rate of ninety cents on the dollar. On the question not to accept legal-tender notes as a regular currency there was not a dissenting voice. On the second propo-

¹ *Statesman*, August 18, 1862.

² *San Francisco Bulletin*, November 10, 1862.

sition one merchant, wishing to adopt the San Francisco rate, voted in the negative; while still another was opposed to setting a definite price and wished the market to regulate itself.¹ The market price of greenbacks fixed upon by the Salem merchants was three per cent. higher than the San Francisco rate and eighteen per cent. above the New York quotation. The situation became more critical as the California price declined to 84 cents. On January 15, 1863, a meeting of Portland business men was called and seventy-nine of the leading firms adopted the following agreement:

In view of the extensive importation of U. S. Legal Tender notes for the purpose of speculation and the consequent loss entailed on the trade here and elsewhere throughout the State, the undersigned hereby agree to receive them at rates current in San Francisco, as published from time to time in the daily papers of Portland, Oregon, by Ladd and Tilton Bankers.²

This event marks the establishment of a settled market quotation for the depreciated greenbacks. The leading newspaper of the state now justified the course of Portland business men on the ground that "some such action was necessary on the part of citizens to keep paper currency from absorbing [*i. e.*, driving out] all the gold in the country."³ Portland was the metropolis and commercial center of the state, and the example of her business men was followed quite generally throughout the community. Within a week Oregon City merchants had agreed to accept greenbacks only at Portland quotations.⁴

¹ *Statesman*, December 1, 1862; *Semi-Weekly Sentinel*, December 6, 1862.

² *Oregonian*, January 17, 1863.

³ *Ibid.*

⁴ *Ibid.*, January 24, 1863.

It was generally conceded that steps of this kind were necessary for common protection and calculated "to prevent further losses from futile endeavors to sustain the price of legal tenders at a figure above that which ruled in the neighboring state of California."¹ Even where no formal action was taken, business men naturally fell into the habit of referring to the Ladd and Tilton quotation as a guide for daily transactions in legal-tender notes.

Long before the merchants' agreements were struck and a uniform rate agreed upon, business men had prudently sought to guard against payment in depreciated paper by stipulating in contracts that settlement should be made in specie, and it became the fashion to print on bill-heads in conspicuous letters "Payable in coin only."² Those who still proffered greenbacks and claimed a legal right to force their acceptance at par were promptly blacklisted and their names were circulated for the convenience and protection of the merchant class. Even before its January meeting the merchants' association of Portland had issued a circular declaring that customers who insisted on settling bills in legal-tender notes should be added to the blacklist and published among its members. It soon came to be a dishonorable practice to pay greenbacks at face value, and a man once guilty of the offense became a commercial outcast. When it was noised about that a customer had been guilty of "greenbacking" a creditor, business men declined to have any dealings with him in case payment was expected after the delivery of goods or the performance of service. Public opinion came to have a force akin to that of law. The *Oregonian* said in an editorial on March 7, 1863:

¹ *Oregonian*, January 24, 1863.

² *Statesman*, August 11, 1862.

If a man on this coast, where gold is the basis of the currency, uses legal-tender paper to pay a debt that both parties intended should be paid in coin, or its value, he is a cheat and ought to be so regarded. Unless his poverty or necessity makes the payment, as agreed, impossible, and in this case he is an insolvent—a bankrupt.

The reproach which public opinion visited on the act, coupled with the grave prospect of commercial ostracism, usually proved an effective safeguard against defrauding creditors. Instances of "greenbacking" for any considerable sum were so rare as to deserve special mention in the newspapers.

Gold and silver were not lacking to meet the demands of trade and the quantity of legal-tender notes was relatively unimportant. In February, 1863, it was said that the currency of the country was almost "purified of paper money" and the newspapers announced their willingness to assist in keeping it so.² The Pacific delegation was urged to use its influence toward securing an arrangement with the Secretary of the Treasury under which no more greenbacks should be paid out in California and Oregon; but that the gold, collected on the Coast in the shape of duties and direct taxes, should be paid out on current account.³ Hard money persisted as the standard of value and for the most part as the medium of exchange. In the East gold was largely withdrawn from circulation and became an object of speculation, while government paper became the regular medium of payment and the basis of credit transactions. On the Pacific Coast the situation was exactly reversed. Here gold and silver

¹ See *Oregonian*, September 10, 1864.

² See *Oregonian*, February 14, 1863.

³ *Oregonian*, January 17, 1863.

alone were bankable, and the depreciated paper did not circulate freely but was bought and sold at a varying percentage of its face value. In the East the common practice was to quote the premium on gold in terms of the standard which displaced it; on the Pacific Coast the prevalent habit was to give the price of greenbacks in the undisturbed standard of gold.

The status of the United States notes was now definitely decided by the commercial community. To effect the necessary legal adjustments was the task of legislator and jurist. Generally speaking, statutory enactment as well as judicial interpretation served only to fortify the position taken by business men against the acceptance of greenbacks as currency, and helped to enforce a strict subordination of their value to that of gold and silver coin. One important act of the territorial legislature, passed over six years before the Civil War, was only accidentally in favor of the restricted use of legal-tender notes. This law prescribed that "the sheriff shall in all cases pay over to the county treasurer the full amount of territorial and school taxes in gold and silver coin;" and another section of the same act directed that "the several county treasurers in this territory shall pay over to the territorial treasurer in gold and silver coin the amount of territorial taxes charged to their respective counties; which territorial tax shall be paid out of the first monies collected and paid into the county treasury."¹ This legislation being anterior in point of time to the introduction of legal-tender notes was framed without reference to them and based on the assumption that the currency was, and would remain, metallic. Curiously

¹ *Statutes of Oregon*, p. 438, section 32, and p. 441, section 46. Act passed January 30, 1855.

enough the law had failed to prescribe that taxes should be collected in coin. With the advent of greenbacks, some sheriffs, knowing that satisfaction must be made to county and state officials in coin, prudently declined to accept legal tenders in payment of taxes. Such was the stand taken in Marion county, but in Linn county and a few others greenbacks were received for county but rejected for state taxes. In Clackamas and Columbia counties sheriffs, easily converted to the view that taxes were debts, received legal tenders in satisfaction of both state and county taxes, evidently relying on the federal act to compel their acceptance by state officials. Agreements between sheriffs to blacklist the property owner who proffered greenbacks would have proved a weak expedient, and, since commercial honor was not at stake, taxpayers usually insisted on the acceptance of the cheaper money. In January, 1863, Josephine, Linn and Columbia counties tendered all or a part of their state taxes in United States notes. Mr. Cooke, state treasurer, promptly rejected the paper but receipted for coin. Provided state taxes were not settled within ten days after the first Monday in February, the counties would incur a penalty of twenty per cent. for delinquency. Columbia county recalled her greenbacks and proffered specie instead.¹ In the case of Linn county the tender included \$4000 in paper and some \$400 in coin, and the state at once began suit against the county treasurer to recover \$4000 in specie. The case came up for consideration in March, and Judge Boise decided that, while United States notes were a legal tender for all private debts and such public dues as were enumerated in the federal act creating them, they were not necessarily a legal tender

¹ *Statesman*, February 2, 1863.

for state taxes; and judgment was rendered against the county for \$4000 in coin.¹

Early in 1864, Jackson, Josephine, Douglas, Lane, Benton and Clatsop counties, undaunted by the decision against Linn, tendered greenbacks for taxes of 1863. The gross sum due from these divisions was \$20,712.14, and at the date of tender United States notes were quoted at about sixty-five cents on the dollar.² At the fall session of the legislature a special act was passed allowing ninety days to counties that had tendered greenbacks and now wished to make them equivalent to gold. In January, 1865, Jackson county deposited \$5,000 in gold in addition to \$10,000 of paper, already tendered, in satisfaction of taxes for the years 1863 and 1864.³

The disorganized condition of state finances arising from the delinquency of several counties demanded a settlement of the issue once for all; and in April, 1865, Oregon filed a complaint against Lane county, in the circuit court of the state for that district, to recover \$5460.96 *in gold and silver coin*, which sum had become due as state revenue from the county on the first Monday in February, 1864. The county answered that the amount had been tendered to the state treasurer on the twenty-third day of January *in United States notes*, and contended further that this lawful money was a part of the first paid into the county treasury in compliance with the assessment of 1863. The circuit court upheld the claim against Lane county, and the judgment was

¹ *Ibid.*, March 30, 1863.

² See Message of A. C. Gibbs, published in *Oregonian*, September 17, 1864.

³ *Oregonian*, January 21, 1865.

affirmed by the supreme court of the state. The grounds taken by the higher tribunal may be briefly stated as follows: Taxation is a matter belonging peculiarly to the state and, if so as to the time of levy and the amount, then equally so as to the means by which the tax when levied shall be paid. Existence of the commonwealth is vitally dependent on its revenues, and to allow that Congress can interfere with the free exercise of this power, either with respect to amount, assessment, collection or means of payment, would be granting the right to destroy state governments. While United States notes are undoubtedly legal tender for the payment of all obligations upon which Congress properly legislates, the federal legislature did not aim to make them an absolute discharge for state taxes. Such obligations have none of the characteristics of public and private debts, for a debt is something arising from and due upon contract and coming under the processes of the law and the adjudication of the court. A tax is a judgment in inception fixed *without the consent of the taxpayer*. It does not need the issuance of an execution to enforce it. If not paid in due time, penalties follow; and upon default of the taxpayer, his property passes by collector's sale to a purchaser; or, in other words, he loses the title to his real estate. There is none of the mutuality that belongs to a contract. The state law requiring county officials to pay over the amounts due from them in coin implied the collection in coin. "If any other than gold and silver money could be paid on taxes and the treasury filled with cloth or paper dollars, how could the treasurer be expected to pay over gold and silver coin?"¹

¹ *Whiteaker vs. Haley*, 2 Oregon, 128 *et seq.* The printed decision in the case of *State vs. Lane County* does not appear in Oregon Reports, but the legal question involved and the reasoning here employed are evidently the same.

An appeal was taken to the Supreme Court of the United States, where a decision was not reached until December, 1868. The federal tribunal, however, sustained the decision of the lower court, accepting its interpretation of the statute as final and holding that the extent to which the taxing power shall be used and the mode in which it shall be exercised are wholly within the discretion of the state legislature. While the Congressional act had expressly declared that United States notes should be legal tender in the payment of federal taxes, it was never the intention of the law to compel their acceptance by state officials for state revenue. The federal judges also upheld the lower court in the view that taxes are not debts but in the nature of compulsory payments from subjects.¹

But while judges were busy with the interpretation of the territorial tax law, newspapers and the public generally had been busy debating the advisability of its repeal or amendment. Business men were firm in their conviction not to accept greenbacks as currency; but there was a strong sentiment in favor of making them the basis of fiscal transactions. It was a shameful exhibition of disloyalty, said some, for a state not to accept federal notes in payment of its own taxes and dues. By excluding United States notes from this field of circulation the state only helped to further their depreciation.² The treasury was empty by the autumn of 1864, and ten or twelve thousand dollars were needed for immediate disbursement. The amount tied up in litigation between state and county governments was nearly \$22,000, and many advocated the acceptance of greenbacks by the

¹ *Lane County vs. Oregon*, 7 Wallace, p. 71.

² *Statesman*, May 9, 1864.

state treasurer, with the understanding that they should be paid out at the current market rate.¹ It was urged against the adoption of a paper currency for the settlement of private debts, that the laborer should not be obliged to accept \$9.75 instead of \$12 for his weekly wage.² Clearly the theory underlying this statement was that, with the adoption of a cheaper money, prices must rise in proportion to its depreciation while wages remain stationary or advance more slowly. This consideration, however, did not apply to public officials, whose salaries were matters of legislative determination, and might readily be adjusted to suit the medium in which they were paid. Advocates of such a policy were, however, confronted with the practical obstacle that the price of greenbacks, even on the Pacific coast, was subject to continual fluctuation, and anything like an equitable adjustment for all time was impossible. Furthermore, conservative citizens were opposed to the reorganization of state finances in such a wholesale fashion.³ At any rate popular discussion as well as judicial deliberation had served to emphasize the defect of the old territorial tax law, namely, its failure to prescribe that the process of paying over coin should begin with the taxpayer himself. True judges had held without exception that such was the implication of the act,⁴ but the reasoning on this point was not wholly satisfactory, and some even hinted that judicial decisions had been warped by selfish considerations. It became a common saying that legal-tenders might pay anything but judges' salaries.⁵ As

¹ Letter in *Statesman*, October 10, 1864.

² Letter in *Statesman*, August 12, 1862.

³ *Oregonian*, September 24, 1864.

⁴ See case of *J. Teal vs. H. J. Waldron*, *Statesman*, January 4, 1864.

⁵ *Statesman*, May 9, 1864.

the time approached for the fall session of the legislature in 1864, the sentiment gained ground that whichever policy the state should adopt, all doubtful points should be settled by the legislature, not the judiciary. Accordingly, by an act approved October 21, 1864, it was expressly stated "that all taxes levied by state, counties, or municipal corporations therein, shall be collected and paid in gold and silver coin of the United States and not otherwise."¹ Another section of the same article provided that all salaries and claims against the state, county, school district, or municipality, should be paid in gold and silver coin, "except that, when any other lawful money of the United States shall be received by any disbursing officer of the state, county, school district, or municipal corporation, otherwise than for taxes, the same must be paid out in satisfaction of such salaries or claims *at its market coin value*." The receipt taken in such transactions should specify both the nominal and the market coin value of such sums disbursed.

But there was a class of payments growing out of contractual or semi-contractual relations between citizens and the state government, and it could not be denied that these were public debts, distinguishable from taxes in that the element of compulsion was lacking. Such, for example, was the purchase price of public lands made over to the state for educational purposes. For dues of this sort, coming within the scope of the federal act, state officials could not well escape payment in legal-tender notes. Even at this point the legislature went as far as it could with safety in prescribing that the fee, which was required from the purchaser at the date of

¹ *General Laws of Oregon, 1843-1872*, p. 772, section 1.

sale, should be paid in coin;¹ and if only a part of the purchase price was paid at the execution of the contract, interest on the remainder should be paid in coin only.* The effect of all these provisions was to reduce the financial operations of the state, county and municipal governments to a strict metallic basis.

In April, 1863, California had passed a specific contract act, guaranteeing repayment in the same kind of money borrowed, provided a clause to that effect was inserted in the original agreement; and Oregon now began considering the advisability of a similar law. It was urged in support of such a measure that much free capital was leaving the state for safe investment in California. The community was vitally interested in retaining its funds for promoting public improvements, financing industrial undertakings, and building railroads and canals. Since capital will not embark in enterprises attended by abnormal risks, the state should afford the largest possible security to the lender. To this end he should be permitted by law to insure himself against repayment in depreciated paper. Unless such safeguards were provided, mobile capital would gravitate to safer fields of investment and the country would "grow feebler and poorer day by day."³ Furthermore the trade of Oregon with her southern neighbor was of prime importance, and it was feared that California, with her specific contract provisions, would refrain from dealing with Oregonians unless she could provide for the settlement of balances in gold.

¹ It would have proved an interesting point if the courts had been called upon to decide whether a payment of this sort is a debt or a tax, but the question was never raised.

² *General Laws of Oregon, 1843-1872*, p. 635.

³ *Oregonian*, September 24, 1864.

On the other hand it was argued that a specific contract act was in reality a *specious nullification act*, and calculated to suspend the operation of a federal law. Even admitting the advisability and justice of such a measure, there yet remained the question of its constitutionality. True the highest court of California had already pronounced in favor of specific contracts, but the final decision must of necessity rest with the federal Supreme Court and that organ would decide from the national standpoint and not from the viewpoint of some remote corner of the Union.¹

When the matter came up for legislative consideration in October, 1864, advocates of a specific contract act pointed to the fact that agents of the government on the Coast had executed contracts payable in coin only, and asked why individuals should not be accorded the same privilege. Furthermore public opinion had virtually established a specific contract law and an act of the legislature would merely legalize an unwritten practice. At any rate "an act to enable courts to enforce the specific performance of certain contracts" passed the state senate, on October 4, by a vote of 10 to 7, and on the following day was accepted by the house, the vote standing 23 to 14. As a matter of fact the courts had already shown a disposition to uphold contracts for the payment of a specific kind of money, and the passage of this law merely meant that the execution of such agreements was quite common and that they were deemed necessary for the orderly conduct of business. The sentiment of the community was, therefore, strongly in favor of providing legal safeguards against their infringement. The act provided that the courts of the state, in

¹ *Statesman*, September 26, 1864.

giving judgment or decree on a written contract for the payment of gold coin, legal-tender notes, or any other kind of lawful money specified in such contract, shall, if either party require it, adjudge that the principal sum and the interest thereon, but not the costs of the suit, shall be paid in the kind of money so specified. A written contract to pay gold coin or its equivalent in dust or bars shall, at the option of the party entitled to the benefit, be deemed and held to be a contract to pay coin only. A judgment or decree on a contract calling for the payment of a particular kind of money must be satisfied in the kind of money specified. Gold and silver coins of the United States to the respective amounts to which they are legal tender shall always be received at their nominal value in the settlement of all contracts, liabilities, judgments, decrees and executions.¹

Thus the policy which finally prevailed with reference to currency complications was to allow gold and silver, which had been for years the customary standard and the sole medium of payment, to remain the only standard in ordinary business transactions, and to require paper, wherever used as a secondary medium, to be valued like any other commodity at its market price. The reason sometimes assigned for this solution of the legal-tender problem is that the adoption of a currency is a matter of social agreement to recognize a particular thing, when presented in a particular form, as lawful money or as the representative of wealth; and that the Pacific Coast states had not consented to admit anything but gold and silver as currency.² The experience of small com-

¹ *General Laws of Oregon, 1843-1872*, pp. 743-744.

² An argument similar to this is presented in the *Statesman*, April 2, 1865.

munities like The Dalles, however, had demonstrated that mere arbitrary or conventional sanction of paper money could not maintain its circulation at par. The retention of gold as the only standard and largely as a medium of exchange on the Pacific Coast is explained, partly, by a lack of experience with paper currency and a sort of incipient aversion to its use; but chiefly by an enduring attachment to gold, which was regarded as the natural and peculiar currency of the Pacific Slope. The commercial and industrial prosperity of this region dates from the era of gold discovery. The mines of California, Oregon and Idaho had emptied their treasures into the channels of trade, and, at the magic touch of gold, the sluggish pools of economic life were teeming with manifold activities. Every glittering goldpiece was now a sort of talisman which conjured up a picture of the "days of '49" with their deeds of daring, self-sacrifice and triumphant success; and the possession of a metallic currency lent a sort of social buoyancy, a universal optimism. When the currency problem presented itself, business men promptly reached the conclusion that the wholesale acceptance of greenbacks meant the surrender of gold. The commerce of the Pacific Coast was, so far, mainly domestic, and there was no demand for gold to settle balances in foreign trade or to pay import duties. If paper had been allowed to displace gold, the whole stock of metallic money would have gravitated to the commercial centers of the East and ultimately into the hands of speculators to be supplied to merchants buying abroad. It should be recognized here that conditions in the far West were more favorable to the retention of coin, for the volume of paper which reached that section was slight as compared with the quantity circulating in the East. Oregon was far removed from the seat of

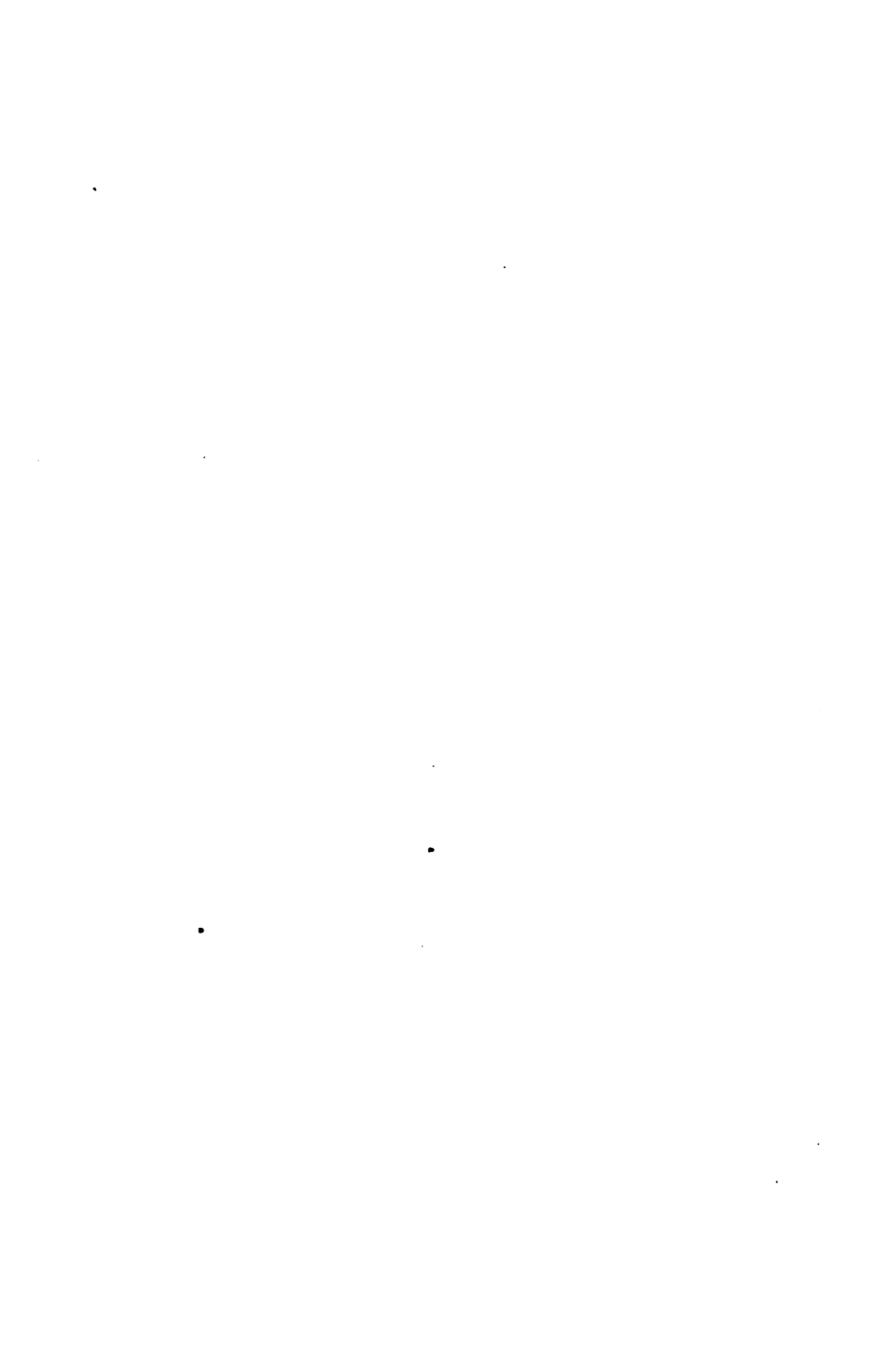
the war, and federal operations in the Pacific Northwest were limited in scope. Furthermore, commercial intercourse with the Atlantic Coast was almost exclusively a buying and not a selling trade, the latter being confined chiefly to Alaska, California and the Sandwich Islands. Commercial operations tended, therefore, to withdraw legal tenders instead of augmenting the supply. Up to January, 1863, it was estimated that, of the \$300,000,000 of greenbacks issued, only \$160,000, or a little over one-twentieth of one per cent., had found their way into the currency of Oregon and Washington.¹ From the suspension of specie payments, January 1, 1862, until January 1, 1879, when gold and silver had practically disappeared from the currency of the East, it is estimated that fully \$25,000,000 in coin remained in circulation on the Pacific Slope.²

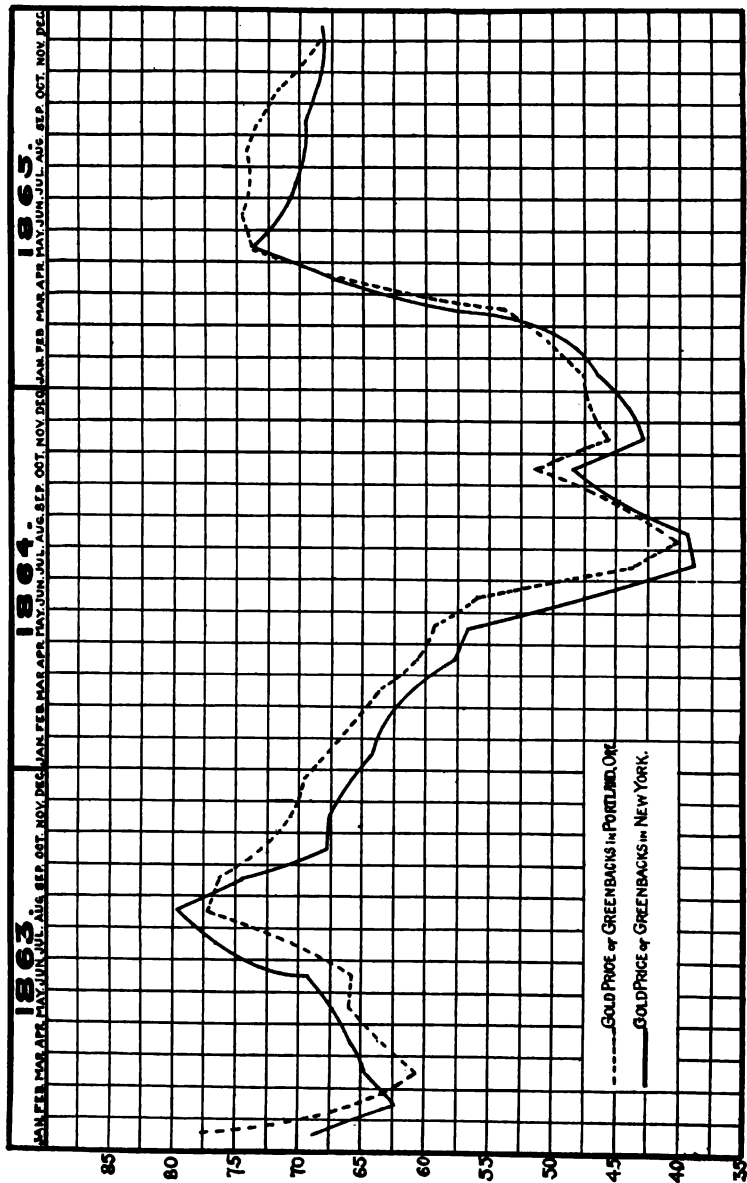
Western papers, evidently with a view to exonerating the citizens from a charge of disloyalty for abusing legal-tender notes, now began to point with distinct pride to special advantages accruing to the federal government from the local adherence to gold as a circulating medium. The presence of coin, even in a limited section of the Union, inspired confidence in foreign countries and strengthened the credit of the government abroad. Gold in circulation remains in the hands of many at once, thus increasing the difficulties of cornering the supply and of forcing the price up indefinitely. At the resumption of specie payment the country would not be completely drained of coin and lacking in the means of making outlays necessary to establish confidence.³

¹ *Sentinel*, January 7, 1863.

² *Report of the Comptroller of the Currency*, 1902, vol. i, p. 121.

³ See, for example, *Oregonian*, October 1, 1864.





The position of Oregon and California on the greenback question was anomalous, and it remains to note briefly some of the economic consequences of their attitude toward legal-tender notes. Before comparing the coin value of United States notes in the extreme sections of the country, it must be remembered that the bills in question were more than legal tenders; they were promises of the federal government to pay coin at some indefinite date in the future. The value which attached to such notes depended primarily on the popular estimate of the degree of certainty that the issuing government would be both willing and able to meet its obligations. The coin value of legal tenders was affected by the quantity in circulation only so far as the increase in debts enhanced the liability of repudiation. Clearly the thing which threatened both the solvency and the integrity of the federal government was the civil war then in progress, and the price of greenbacks naturally rose and fell with the fortunes of war. The Pacific Coast states were far removed from the seat of the struggle, and their citizens never quite appreciated the severity of the conflict, the attendant destruction of property, and the burden imposed on the industrial strength of the north. The relative scarcity of paper on the Coast, as compared with coin, may have operated also to affect the exchange ratio in its favor. It is not at all surprising, therefore, that the gold value of legal-tender notes on the Coast was generally higher than at corresponding dates in the East. The diagram inserted opposite this page exhibits the relations between the fluctuating prices of greenbacks in New York City and the market quotation in Portland, Oregon, during the years 1863-65. It will be observed that only from April to August, 1863, and during March and April, 1865, were the monthly averages in the Port-

land market below the eastern figure, and for the remainder of the period the quotations were more favorable. From September, 1863, to January, 1865, the western price was on an average 5.7 per cent. higher than the New York market would warrant.¹ The lowest monthly average for New York was that of July, 1864, when greenbacks were rated at 38.7 cents, and on the 11th of that month, a dollar in paper was worth only 35 cents in gold. The corresponding figure for Oregon during the same month was 43.5; and the Salem *Statesman* noticed that legal tenders were scarce in that locality and some had been sold for 50 cents on the dollar. Not only were the market quotations in Portland generally higher, but were subject to less violent fluctuations, traders and speculators seeming on the whole less sensitive to the ebb and flow of public confidence. The facts here enumerated tend to support the view that little, if any, of the value attaching to greenbacks depended on their legal-tender quality. On the Pacific Coast where they were denied the status of money, where in fact they lost the characteristic of a forced loan and became almost wholly subjects of speculative investment, they commanded a higher price than in the East where their legal-tender quality was never questioned.²

For debts contracted prior to the passage of the legal-tender act there was no safeguard against payment in depreciated paper. Some creditors undoubtedly suffered through the unforeseen substitution of a cheaper money. In the case of Clark and Wood *vs.* T. W. Ayres, it was

¹ This calculation bears out the statement in the Portland *Oregonian* of July 2, 1864, to the effect that brokers and business men on the Coast were in the habit of adding five per cent. to the New York quotation.

² On the legal-tender quality of United States notes in the Eastern States, see Walker, *Money and Trade*, p. 201.

held by Judge Shattuck that judgment creditors were bound to accept greenbacks at par whenever offered;¹ and, in the case of Plank Road Company *vs.* James Terwilliger, the jury was instructed that it had no right to specify the kind of money in which the judgment should be paid.² But while the law allowed debtors to pay in legal tenders, public opinion strongly condemned the practice and so served as a wholesome check on the temptation to defraud creditors. Long before the passage of a specific contract act it became a practice to make accepted bills and notes in effect contracts to pay coin only; and the loss to creditors on debts created subsequent to the introduction of greenbacks was inconsiderable. There was a class of old debts for which paper was usually accepted. Editors frequently advertised that greenbacks would be taken at par in settlement of delinquent subscriptions, even where the discount was considerable.

In the Eastern states, where coin was displaced altogether and legal tenders became the standard of value, the depreciation of paper showed itself in a rising price of both gold and commodities. The law might compel the acceptance of a cheaper money but could not prevent the rise in prices that were subject to frequent revisions in the market. Provided only sellers can foresee a decline in the value of the monetary standard, they will prevent loss by adjusting prices to the medium in which payment is expected; and a transaction of a given bulk will merely create a larger debt than formerly. Statistics show that wholesale prices in Eastern markets rose 115.5 per cent. from 1861 to 1865.³ If, however,

¹ *Sentinel*, October 23, 1862.

² *Oregonian*, February 28, 1863.

³ *Aldrich Report on Wholesale Prices, Wages and Transportation*, vol. i., p. 9.

we reduce these figures to coin prices by making allowance for the premium on gold, the rise is less marked,¹ and can be accounted for by the withdrawal of productive forces from the industrial field and the consequent curtailment of supply. On the Pacific Coast the derangement of the economic order was scarcely appreciable, and gold remained the standard of value during, as before, the war. Here the depreciation of paper registered itself directly in a market quotation more or less below par, and general prices remained unchanged. The table on the opposite page shows the results obtained by averaging the wholesale prices of a dozen articles most frequently quoted in the Portland market during the years 1860-1865; and by comparing prices of the years 1861-1865 with those current in 1860. From the figures it appears that the general price level of 1861 was actually lower than that of 1860; the index numbers of 1862 and 1864 were slightly above the normal and the prices of 1863 and 1865 show an advance of fifteen and twenty-four per cent. respectively. Taking the period as a whole, war prices did not differ markedly from those which obtained in 1860. Commodity prices, measured in gold, remained comparatively stable while the value of legal-tender notes fluctuated independently.

An error committed by newspapers at the time and copied by careless historians of the period was that Oregon merchants made excessive profits by buying in Eastern markets with paper and selling for gold while advancing prices to correspond with those which obtained under the changed standard of the East.² The superficial observer may have been misled by the fact that the selling prices of many articles of import corresponded roughly

¹The *Aldrich Report* gives the index numbers representing gold prices as follows: 1860, 100; 1861, 100.6; 1862, 114.9; 1863, 102.4; 1864, 122.5; 1865, 100.3.

²*Statesman*, April 3, 1865.

Commodity.	1860.		1861.		1862.		1863.		1864.		1865.	
	Ave. Price.	Per Cent.	Ave. Price.	Per Cent.	Ave. Price.	Per Cent.	Ave. Price.	Per Cent.	Ave. Price.	Per Cent.	Ave. Price.	Per Cent.
Flour, bbl.	7.00	100	6.12½	87.5	9.00	128.5	8.00	114.3	6.75	96.4	10.50	150.0
Bacon, lb. ....	.15½	100	.11½	74.2	.11½	76.2	.13	83.8	.17½	114.5	.21½	139.5
Lard, lb. ....	.15½	100	.11½	76.8	*	*	*	*	.13½	86.6	.21	138.8
Syrup, E. Boston, gal.	1.07½	100	.97½	91.6	.77½	72.0	.80	74.4	.70	65.1	.78½	73.2
Sugar, Island, lb. ....	.10	100	.10½	102.5	.12	120.0	.14½	145.0	.13	130.0	.12½	122.5
Coffee, Rio, lb. ....	.19½	100	.18½	92.4	.26½	134.2	.30	151.9	.27	136.7	.24½	124.0
Coffee, Java, lb. ....	.25	100	.26½	106.0	.28½	113.0	.32	128.0	.33½	135.0	.30	120.0
Salt, ton ..	36.25	100	35.00	96.6	32.50	89.6	*	*	50.00	137.9	37.50	103.4
Wheat, bu. ....	.81½	100	.61½	75.3	1.11½	136.9	.97½	120.0	.88½	109.2	1.39½	171.3
Oats, bu. ....	.67½	100	.37½	57.0	.69½	102.7	.78½	116.6	.68½	100.9	.63½	94.0
Eggs, doz. ....	.36½	100	.19½	52.7	.27½	76.3	.40½	111.3	.28½	79.3	.34½	95.5
Butter, lb. ....	.28½	100	.22½	76.5	.30½	106.9	.32½	113.0	.31½	109.0	.42½	147.8
Index number .....	.....	100	.....	82.4	.....	105.1	.....	115.8	.....	108.4	.....	124.0

* No quotations available.

to the market quotation in the East, which amounts to the same thing as saying that the gold price in the far West was much higher. This difference was due, however, chiefly to the cost of transportation and had existed even before the war. If one merchant had sought to command unfair prices for his wares a competitor stood ready to furnish the article at a figure approximating the gold cost on the Atlantic Coast plus transportation charges and the ordinary profits of trade.

Closely allied to this fallacy, was the equally erroneous impression that something in the monetary situation on the Coast imposed peculiar hardships on federal officials, who were paid in depreciated paper and were obliged to make purchases at gold prices by discounting their greenbacks. Essentially their position was not different from that of similar employees in the East. Officials of the same class were paid uniform salaries in the same medium. In the Eastern states purchases were made at prices which rose approximately with the premium on gold, or inversely with the decline in the value of paper. On the Pacific Coast prices remained fairly stable, while the holder of greenbacks was obliged to pass them at a market rate which varied inversely with the eastern quotation for gold. The hardships, common to all sections, were due to the fact that salaries of federal employees did not change, while they were paid in a depreciating medium. The price of many manufactured articles was doubtless higher on the Coast than in eastern markets, and, in some localities, the cost of living was greater. Peculiar hardships may have resulted from a failure on the part of the general government to recognize these sectional differences and to make the necessary adjustments in salaries. Any special cause for complaint, on the part of Western officials, however, existed before the war and prior to the issue of legal-tender notes.

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STUDIES IN HISTORY, ECONOMICS AND PUBLIC LAW

EDITED BY THE FACULTY OF POLITICAL SCIENCE OF
COLUMBIA UNIVERSITY

Volume XXVI]

[Number 2

LUTHER'S TABLE TALK

A CRITICAL STUDY

BY

PRESERVED SMITH, Ph.D.

Sometime Schiff Fellow



New York

THE COLUMBIA UNIVERSITY PRESS

THE MACMILLAN COMPANY, AGENTS

LONDON: P. S. KING & SON

1907

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LUTHER'S TABLE TALK



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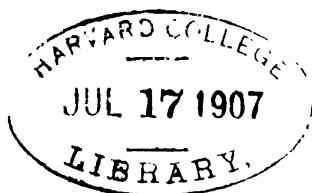
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PREFACE

THE following study aims to give a picture of the environment in which Luther and his guests conversed and of the men who noted down the sayings of the master. Each of these reporters was a source from whom others copied until practically all the sayings were united, after several stages of transcription, into great collections by various editors. We might compare the process of accumulation to that by which many springs pour their waters into the same great river, the original notebooks corresponding to the springs, the first copies to tributary streams, and the final editions to large rivers. From an account of this process, as little technical as possible, we naturally come to an appreciation of the literary and historical value of the Table Talk, treating it in a manner which is illustrative as well as critical.

Among many friends and scholars who have helped me with criticism and suggestion, I must thank especially those to whose constant interest I owe the most—Professor J. H. Robinson, Professor J. T. Shotwell, both of Columbia University, and my father, the Rev. H. P. Smith, D. D.

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CHAPTER I

LUTHER AND HIS GUESTS

IN the old town of Wittenberg the traveler may still see Luther's house looking much as it did three hundred and eighty years ago when he moved into it after his marriage. The veneration of posterity has restored it to the style of Luther's time and filled it with memorials of its famous occupant; pictures of Martin and Käthe on the walls; the old *cathedra* in the *aula* or lecture room; the bench on which Luther often used to sit with his wife, looking out on the neat garden in front.

The house had once been the Augustinian Monastery, and as such Luther's home for several years while he was a member of the order; but the progress of the reformed teaching had left it without occupants for some time before it became the dwelling of the ex-monk and his wife with their numerous dependents and guests. Here the reformer spent the happiest and most peaceful part of his career. The storm and stress of the previous years had given place to a period of comparative calm which was to last the rest of his life. The awful struggle in his own soul, the fierce revolt against the abuse of indulgences, the brave stand at Augsburg, the heroism of Worms, the imprisonment in the Wartburg and the perturbations of the Peasants' Revolt, all had passed. When Luther and his bride took possession of their home in June, 1525, they had before them twenty busy, useful years, years of comparative quiet and domestic happiness.

One cannot say years of domestic privacy. The Luthers kept open house and entertained not only their poor relatives such as old "Muhme Lehne" and their nieces, but many students as well, to say nothing of the distinguished strangers who visited Wittenberg. The table was always full. At the head the large form and strong face of the master would be conspicuous. He was a man of many moods, and his strong personality forced them on his guests, who took their cue from him, maintaining silence or talking seriously or jocosely as he set the example. At times he was lost in thought over some weighty problem of theology, or the vexatious attacks of the "Papists" or "Ranters," and again he was "happy in mind, joking with his friends." Near him we see the staid and dignified Schiefer, or the mournful Schlaginhaufen, intent upon his sins, or the irascible countenance of Cordatus. A strongly built woman, comely¹ in spite of her snub nose, serves the meal with the assistance of her female relatives, frequently participating in the conversation, occasionally the butt of an innocent joke from her husband, and sometimes quarrelling with the students who kept Luther from his dinner with their interminable questions. Let us hear from one of those present what a meal was like at Luther's table:²

As our Doctor often took weighty and deep thoughts with him to table, sometimes during the whole meal he would maintain the silence of the cloister, so that no word was spoken; nevertheless at suitable times he let himself be very merry, so that we were accustomed to call his sayings the con-

¹ Luther once thought her "wunderhübsch." Köstlin, *Martin Luther*, i, 764.

² Mathesius, *Luther Histories*, xii, 133a, quoted by Kroker, *Luthers Tischreden in der Mathesischen Sammlung*, Einleitung, p. 11. Cf. Köstlin, ii, 488, Anm. 1.

diments of the meal, which were pleasanter to us than all spices and delicate food.

If he wished to get us to speak he would make a beginning: What's the news? The first time we let the remark pass, but if he said again: Ye Prelates, what's the news in the land? then the old men would begin to talk. Doctor Wolf Severus [Schiefer] a travelled man of the world who had been the preceptor of his Roman Majesty's children, often was the first to introduce a subject, unless there was a stranger present.

If the conversation was animated, it was nevertheless conducted with decent propriety and courtesy, and the others would not take their turn at it until the Doctor spoke. Often good questions on the Bible would be propounded, which he solved finely, satisfactorily and concisely, and if any one took exception to any part, he would even suffer that and refute him with a proper answer. Often honorable people from the University were present, and then fine things were said and stories told.

Occasionally Luther would dictate something to one of the disciples. This was usually "some precious material in the interpretation of the Bible" such as the exegesis of the twenty-third Psalm which Rörer recorded one evening and had printed.¹

Cordatus claims the honor of being the first to conceive

¹ Seckendorf, *Comment. Hist. de Lutherismo*, iii, 134. Seidemann, *Lauterbachs Tagebuch von 1538*, p. xiii. That this practice was common among the other disciples may be seen from Aurifaber's Introduction to his edition of the sermons: "These sermons have never been printed but by me, John Aurifaber, from the written books of honorable and blessed persons, such as M. Vitus Dietrich of Nürnberg, Item M. Georgius Rorarius, M. Antonius Lauterbach, and Herr Philip Fabricius (who took them from the holy mouth of Luther as he preached)." Quoted by Seidemann from the Eisleben edition of the *Sämmtliche Werke*, ii, 145b. These sermons were largely expositions of Scripture. Cf. also Seidemann, *ibid.*, p. 165; Bindseil's *Colloquia*, iii, 158.

the brilliant idea, so fruitful in later results, of taking down not only special pieces, but the general run of Luther's conversation. At first he had some compunctions about the propriety of making notes at his host's table, but habit overcame them. He says:

I was also aware that it was an audacious offence for me to write down everything I heard whenever I stood before the table or sat at it as a guest, but the advantage of the thing overcame my shame. Moreover the Doctor never showed, even by a word, that what I did displeased him. Nay more, I made the way for others, who dared to do the same thing, especially M. Vitus Dietrich and J. Turbicida [Schlaginhaufen] whose crumbs, as I hope, I shall join to mine, for the whole collection of pious sayings will be pleasing to me.¹

The same reporter speaks of a notebook in which he kept the precious sayings, and Dietrich says that the notes were taken on the spot, just as if the disciples had been in the classroom.² Still more explicitly Schlaginhaufen observes: "I took this down while we were eating, after a funeral."³

Little discrimination was shown by the students who sat around notebook in hand, eager to catch and transmit to posterity the gems which dropped from their master's lips, "which they esteemed more highly than the oracles of Apollo."⁴ Nothing was too trivial for them, and occasionally the humor of the situation would strike Luther.

¹ Wrampelmeyer, *Cordatus Tagebuch*, no. 133a. The Latin at the end is incorrect, but this seems to be the sense; it is "M. Vitus Dietrich et J. Turbicida quorum micæ (ut spero) illis meis conjunxero, omnis multitudo piorum gratis mihi erit."

² Dietrich, p. 165b. "Sequuntur anno 1533 excerpta inter colloquendum." Quoted by Preger, *Luthers Tischreden aus den Jahren 1531 und 1532 nach den Aufzeichnungen von Joh. Schlaginhaufen*, Einl., xiv.

³ *Ibid.*, no. 465.

⁴ Wrampelmeyer, *op. cit.*, Einl., p. 24, quoting Cordatus.

Once when a widower sent a messenger to Luther asking him for assistance in the selection of a wife, the master, after the departure of the messenger, turned to his disciple with a laugh, and said: "For Heaven's sake, Schlaginhaufen, put that down, too!" Schlaginhaufen himself records the incident.¹

In this connection it naturally occurs to us to ask whether Luther really disliked the practice of notetaking or not. In spite of the assertion of Cordatus that Luther never showed even by a word that he was displeased with his disciples' assiduity, it is certain that at times he regretted it. He was aware that he was exhibited to the world in *négligé*. "In St. Augustine's books," he says, "one finds many words which flesh and blood have spoken, and I must confess that I speak many words which are not God's words, both when I preach and at table."² Again he was probably thinking of the Table Talk when he said:

I pray my pious thieves, for Christ's sake, not to let themselves lightly publish anything of mine (albeit I know they do it with an upright, loyal heart) either during my lifetime or after my death. . . . I repeatedly pray them not to bear the burden and danger of such a work without my public consent.³

¹ Preger, *op. cit.*, no. 292.

² Hauspostille on the Gospel for the Sunday Jubilate. Walch: *Luthers Sämmtliche Werke*, xxi, p. 1248. Cf. also his preface to the "Little Sermons to a Friend," Walch, xii, p. 2375: "As we are men, there are many passages which are human and savor of the flesh. For when we are alone and dispute, we often get angry and God laughs at the extraordinary wisdom we display towards him. I believe he derives amusement from such fools as teach him how he should reign, as I often have done and still do." This preface to the *Conciunculae*, which appeared in 1537, was inserted by Cordatus as a preface to his Notes (Wrampelmeyer, Einl., p. 41). It may have been that Cordatus was the friend to whom it was addressed.

³ Walch, *Conciones quaedam D. Mart. Luth.*, xx, 2373.

At times he complained specifically and bitterly of conversations published by his friends; but he never seems to have interfered with any one during the many years in which a large number of men wrote down his sayings in his presence.

Melanchthon, however, on one occasion rebuked the indiscriminate zeal of Cordatus. The reprimand is recorded by the disciple on whom it apparently had not the slightest effect. He tells the story as follows:

I wrote in my notebook these words: Luther to Melanchthon: "Thou art an orator in writing but not in speaking." For the candor of both the speaker and the listener pleased me. Melanchthon wished to persuade him not to answer a book edited by the pastor of Cologne, whom Luther calls Meuchler von Trasen. But what I wrote did not please Philip, and so when he had asked again and again for my notebook, wherein I was accustomed to write what I heard, at length I gave it to him, and when he had read a little in it he wrote this couplet:

Omnia non prodest, Cordate, inscribere chartis,
Sed quaedam tacitum dissimulare decet.

With quite unconscious humor Cordatus adds in the next section that he was confounded by Philip's poetry.²

¹ E. g., in the *Conciunculae* quoted above, where he complains bitterly that his friends have published *sermones quos ipsum sub coena et prandiis effudisse* during his illness at Schmalkald.

² Wrampelmeyer, *op. cit.*, no. 133. The Latin, as generally in Cordatus, is confused, but the point is perfectly clear.

CHAPTER II

THE EARLIER REPORTERS OF THE TABLE TALK

LUTHER's life may naturally be divided into two periods by his marriage in June, 1525. Each period has its own character, sharply marked off from the other, and each has much internal unity. Nine-tenths of his political activity fell within the first period; it was a constant and fierce struggle; and by the time it was over the victory had been won and the great revolt from Rome was well under way. The second period was one of comparative quiet, of domestic experience, hospitality, preaching, teaching and writing; not less interesting than the more active part of Luther's career, but interesting in a different way. It is not so much the operation of a great political force as the significance of a great man's private life which now engages our attention.

With the exception of a doubtful note or two of Cordatus, all the records we have of the Table Talk fall within the second period. During these twenty years no less than a dozen men followed the practice of reporting their hero's words as he spoke them at table.¹ A list of these men at

¹ We know who took notes partly from the extant records, partly from references, especially the lists of their sources given by two collectors of Table Talk, Mathesius (*Luther Histories*, xii, 131b, quoted by Kroker, *op. cit.*, Einl., p. 13) and Aurifaber (preface to his printed edition, reprinted by Walch, *op. cit.*, xxii, 40-55). These lists give the names of three men who did not take notes: Rörer (*Förstemann-Bindseil, Deutsche Tischreden*, vol. iv, p. xvi; Lösche, *Analecta Lutherana*, p. 10), Ferdinand a Maugis (*Seidemann, op. cit.*, Einl., p. xii; Köstlin, *op. cit.*, ii, 618), and Weber (*Kroker, op. cit.*, Einl., p. 15). Besides the

this point will greatly clarify our subsequent discussion, especially if we put opposite the name of each the dates within which his notes were taken.

1. Conrad Cordatus. 1524-1537.¹
2. Veit Dietrich (Theodoricus). 1529-1535.
3. Johan Schlaginhaufen (or Schlainhauffen, *alias* Turbicida, *alias* Ochloplectes, *alias* Typtochlios). 1531-1532.
4. Anton Lauterbach. 1531-1539.¹
5. Hieronymus Weller. 1527-1538.
6. Antonius Corvinus. 1532.
7. Johannes Mathesius. 1540.
8. Kaspar Heydenreich (variously spelled). 1541-1543.
9. Hieronymus Besold. 1541-1546.
10. Magister Plato. 1540-1541.
11. Johannes Stolz (Stolsius). 1542-1546.
12. Johannes Aurifaber (Goldschmidt). 1545-1546.²

men mentioned in Mathesius' and Aurifaber's lists, we know that Cordatus (whose notebook is extant) took notes and that Corvinus probably did (Preger, *op. cit.*, no. 342). Others who have sometimes been thought to have taken notes, but who did not, are: Mörlin (Förstemann-Bindseil, *op. cit.*, vol. iv, p. xix; Kroker, *op. cit.*, *Einl.*, p. 15), Schiefer (Lingke, *Merkwürdige Reisegeschichte Luthers*, 1769, *Einl.*, p. 3; Seidemann, *op. cit.*, *Einl.*, p. xii; Lösche, *op. cit.*, p. 9), Jonas (Kawerau, *Briefe d. J. Jonas in Quellengesch. Sachsens*, vol. 15, p. 104; F. S. Keil, *Merkwürdige Lebensumstände Luthers*, pt. i, p. 161), and Melancthon (*Corpus Reformatorum*, xx, 519-608; Lösche, *op. cit.*, pp. 18, 19; Kroker, *op. cit.*, *Einl.*, pp. 34-37).

¹ A very few notes of Cordatus and Lauterbach can be assigned to dates later than those given opposite their names, taken on their visits to Wittenberg.

² The notes of Cordatus, Dietrich, Schlaginhaufen and Lauterbach are extant in something like their original form. The notes of Mathesius, Weller, Heydenreich, Besold and Plato are preserved (each notebook by itself) in the Mathesian collection. Corvinus is known only in one note copied by Schlaginhaufen. The notes of Stolz and Aurifaber have become indistinguishably merged in the collection of the latter.

The twelve men just enumerated fall into two distinct groups, the notes of six falling within the first fourteen years of the period and those of the others within the last six years. Cordatus and Lauterbach, to be sure, who are included in the first group, took notes on their visits to Wittenberg after 1540, but these sayings are few and unimportant. It is convenient to give a short account of the individual reporters of each group, in order to get a clear picture of the environment in which they worked.

The years 1525-39, within which the first group took notes, were active and important, though their importance has been overshadowed by the great events of the eight years immediately preceding. Every one who knows the name of Luther, knows of the 95 Theses and the Diet of Worms, and the translation of the Bible. Only second to these in Luther's fame stand the appearance before the Cardinal Legate at Augsburg, the burning of Pope Leo's Bull and the Canon Law, and the three great pamphlets of 1520. All of these¹ came before his marriage. We might compare Luther's career to that of a conqueror in which the events and labors just spoken of are the great battles by which a new country is subdued. The work which follows is less showy, but not less difficult; Luther's problem was no longer to conquer new territory, but to consolidate and organize what had been already won.

Thus we see his efforts in these years were chiefly absorbed in regulating and developing the church he had founded; and in protecting it first from the inroads of Zwingli and the Swiss, and then from the internal strife which threatened it with schism. The two Diets of Speyer, the Diet of Augsburg of 1530, the Articles of Marburg,

¹ The translation of the New Testament was done by 1522, and that of the Old Testament under way, though not completed till 1534.

the Religious Peace of Nuremberg, and the Wittenberg Concord mark successive stages of Luther's participation in the evolution of Protestantism. Towards the end of the period the bigamy of Philip of Hesse begins to weigh heavily upon him. His writings are no longer the trumpet calls to arms which we hear in the "Appeal to the Christian Nobility" and "The Babylonian Captivity," but the catechism and the hymns which did so much to put the services of the Church on a solid foundation. His domestic life, though disturbed by fear of the plague in 1527, was happy, and marked by the birth of several children.

The first of the reporters, Conrad Cordatus, was about seven years older than Luther, having been born at Weisenbach in Austria in 1476. After a number of years spent in wandering and studying theology in several places, during which he lost a lucrative ecclesiastical office in 1517 by joining the revolt against Rome, he finally came to Wittenberg in 1524, and spent a year with Luther. Returning home he was imprisoned on account of his religion for nine months, but escaped and returned to Wittenberg in 1526. From this time on he was practically a dependent of Luther's, who several times got him positions which he could not hold. The first of these was to teach in the new Academy founded by Duke Frederick II of Leignitz and Brieg. The venture was not a success, however, and when the Academy failed, Cordatus was again without occupa-

¹ A short biography is given by Wrampelmeyer, *op. cit.*, Einl. The sources for his life have been collected by Götze in *Jahresb. d. Altmärk. Vereins f. Gesch. u. Alterthumskunde*, vol. xiv, p. 57 *et seq.* (1861). His *Deutsch Postille* or Sermons preached at Niemergk, 1534, were published with a preface by Melancthon in 1554. Kolde, *Anal. Luth.*, publishes some of his letters to Melancthon. Much material is found in his Notebook of the *Tischreden*. Cf. Wrampelmeyer, *op. cit.*, no. 1536, &c.

tion, and, after a short visit to his home, returned to Wittenberg in 1528. In 1529 he was called to be second pastor at Zwickau; but a sharp altercation with the burgo-master and Council caused him to leave "that Babel" two years later. For ten or twelve months (after August, 1531) he was Luther's guest; then he obtained an inferior position at Niemergk which he filled till 1537, when his hot temper got him into trouble again.¹

While at Niemergk he maintained constant intercourse with Wittenberg, and some of his notes prove that he was still Luther's guest at times.² In 1536 he got into a dispute with Melanchthon, whom he called, with characteristic violence, "a crab crawling on the cross."³

In 1537 he was called to Eisleben, and from that time on filled several positions at a distance from Wittenberg, until his death, soon after that of Luther, in 1546.

In reporting Luther's sayings he showed more zeal than judgment, writing down whatever came in his way, whether he heard it himself or learned it from some one else. He may have begun the practice as early as 1524, but he did not take many notes until 1532, when he spent a year with Luther between his pastorates at Zwickau and Niemergk. After his call to Niemergk in 1533 he made occasional visits to Wittenberg, during which he took some notes, closing the record in 1537, when he went to Eisleben.

His intimacy with Luther is proved by anecdotes of which the notebook is full. He affectionately relates that

¹ Wrampelmeyer, *op. cit.*, no. 1462. He complains of his hard life at Niemergk and Luther comforts him.

² These dates, however, are uncertain.

³ Kolde, *Anal. Luth.*, p. 279. Cf. Köstlin, ii, 455. They were afterwards reconciled and Melanchthon edited his sermons.

Luther often offered him his silver goblets in case of need. Again when he and Hausmann were sitting with Luther, the master remarked that a gift of 200 gulden would not please him so much as their company.¹ The pair resembled each other in fearlessness and violence. Luther well characterized Cordatus (and unconsciously himself) when he said: "When God needs a legate who shall set forth his affairs strongly and dare to correct the vicious, he uses the wrath of some person like Cordatus, a man hard in speech and temper."²

His irascibility must have made him at times an unpleasant guest. He was generally on bad terms with Käthe, and sometimes with his fellow guests. One day the conversation waxed so interesting that Luther forgot to eat. When Käthe tried to recall her husband to mundane affairs he replied with some warmth that she ought to say the Lord's prayer before she spoke. "Then I," demurely observes Cordatus, "tried to bring him back to the former subject of conversation by asking him about Campanus and his redundant style."³

When Luther, to his regret, could not help his friend Hausmann with a small loan, Cordatus had the bad grace to ask him why he had just let Käthe buy a garden, to which Luther replies, rather weakly, that he could not withstand her prayers and tears.⁴ Again Cordatus records a biting remark about Käthe's loquacity. "He called the long speeches of his wife 'a woman's sermons' (*mulierum praedicationes*), because she would constantly interrupt his

¹ Wrampelmeyer, nos. 56 and 57. Cf. for other anecdotes nos. 989, 1408, 253, 133a.

² *Ibid.*, Einl., p. 13 *et seq.*

³ *Ibid.*, nos. 111, 111a, 111b.

⁴ *Ibid.*

best sayings. And Dr. Jonas has the same virtue [? of interrupting]." ¹

Occasionally Luther felt called upon to administer a mild rebuke, as when Cordatus asks for an explanation of the expression *concupiscentia oculorum*. Again Luther tells him plainly, "You wish to be master and perchance to be praised, and thus you are tempted." ²

Cordatus was middle-aged before he knew Luther. Dietrich, on the other hand, was a mere youth when he first met him. Born at Nuremberg, 1506, he came to Wittenberg in 1522, ³ with the intention of studying medicine, a vocation which Luther ⁴ induced him to abandon for theology. In 1527 he became a sort of amanuensis to Luther, accompanying him in this capacity to Koburg in 1530, and thence to the Diet of Augsburg in the same year. ⁵ He lived at Luther's house from 1529 to 1534, leaving in this year partly, perhaps, on account of a quarrel with Käthe, ⁶ but also doubtless because he was contemplating marriage, which took place in the next year. He was called to the pastorate of St. Sebald, in Nuremberg, in May, 1535, by the Council of that city. In this position he still maintained close relations with Luther and Melanchthon. In 1537

¹ Wrampelmeyer, no. 120. Jonas reciprocated by calling him a firebrand. *Corpus Reformatorum*, iii, 1500.

² *Ibid.*, nos, 74, 75, 115, 116, 161, 162.

³ This date is given by Kroker, Einl., p. 8. Herzog in *Allgemeine Deutsche Biographie* gives 1527. My account is taken partly from Herzog, partly from Köstlin, and partly from Kroker, who used the unpublished *Tagebuch* and corrected some errors in previous accounts. A Life by Storbel came out in 1772. His correspondence is in *Corpus Reformatorum*.

⁴ Dietrich, fol. 186, quoted by Köstlin, ii, p. 200, note 1, "*vocatio quae a medicina ad theologiam vocaverat.*"

⁵ Köstlin, ii, 514, 523. Herzog is in error in *Allg. Deut. Bib.*

⁶ Cf. Kroker, Einl., 8.

he subscribed to the Schmalkaldic Articles on behalf of his Church. Ten years later he attended the Colloquium at Regensburg.

Dietrich was drawn into several theological quarrels.¹ Like Cordatus, he was a quick-tempered man, and took any contradiction of his views much to heart. His last years were embittered by the triumph of his enemies and broken by ill-health. He died at Nuremberg in March, 1549.

He wrote little of his own, but was an active editor and translator of Luther's writings.² His own notes and the copies he made from those of others are extant either in their original form or in copious extracts.³ They testify his constant attendance on his master. He nursed him through the severe illness which attacked Luther in 1530, after the Diet of Augsburg. If we may believe the man of God, this affliction was due to the direct interposition of the devil, whom he saw in the form of a fiery snake hanging from the roof of a neighboring tower. With his habitual shiftiness, however, the old Serpent changed his form into that of a star when Luther endeavored to point him out to his disciple.⁴

Johann Schlaginhaufen, a native of Neunberg in the Upper Palatinate, makes his first appearance in May, 1520, when he matriculated at Wittenberg.⁵ He was ap-

¹ The first of these was on the question of private *vs.* general absolution, Osiander supporting the former and Dietrich the latter. The second was on the elevation of the Elements. The restoration of this practice at Nuremberg, 1549, broke his health.

² Herzog, *loc. cit.* Cf. Köstlin, ii, 157.

³ His notes are not printed. Seidemann prepared them for the press and his copy was used by Köstlin. Cf. *infra*.

⁴ Dietrich, fol. 143, quoted by Köstlin, ii, 206.

⁵ G. Bossert, in *Ztschr. f. kirch. Wiss.*, 1887, p. 354 *et seq.* New material on his life added by Preger, Einl., p. vi.

parently slow of study, for the next time he emerges, eleven years later, he is still a student, and a table companion of Luther besides, as we know from his notes of 1531 and 1532. In the latter year he was employed at Zahna, a mile from Wittenberg, whence he kept up an intimate relation with his former host. Ill-health and poverty clouded his sojourn here, which was, however, short, as he was called in December, 1533, to the more promising field of Köthen, as pastor of St. Jacob. Prince Wolfgang of Anhalt-Köthen made him superintendent, but did not support him in the plan of church visitation he attempted to introduce. This complicated the situation, and being still troubled by ill-health and small means, he sought another position, and obtained, at Luther's recommendation, the pastorate of Wörlitz. Here his health improved, his compensation was more adequate, and his plans of church visitation and remodelling the service on that of Wittenberg worked smoothly and successfully.

With his friend Helt, Schlaginhaufen went to Schmalkalden in 1537 as a representative of his church, for which he subscribed to the Articles. He then went home with Luther, who was suffering terribly from the stone, from which he hardly expected to recover, but of which he was suddenly relieved at Tambach. The disciple carried the news of his master's recovery back to the Prince, who had stayed behind, and was so full of it that, as he galloped into the town, he shouted triumphantly to the Papal Nuncio, whom he saw looking out of a window, *Lutherus vivit!*¹

The date of Schlaginhaufen's death, which must have been later than 1549,² is not precisely known. His authen-

¹ Köstlin, ii, 399, 400.

² As we know from a letter of Jonas to Chancellor Rabe, in Kawerau, *Briefwechsel d. J. Jonas*, ii, 287.

tic literary remains are confined to a sermon, in a rousing style, preserved in the archives at Zerbst, and a book of *Tischreden* which we possess in a copy possibly made by his son-in-law, J. Obendorfer of Köthen.¹

Schlaginhaufen won a place in Luther's household by many a little service gladly performed in return for his entertainment, for which he was too poor to pay. It is pleasant to believe that he got along with Käthe and the children better than some of the other guests. When Luther fainted, at the election of Rector, May 1, 1532, Käthe sent the little girl to notify him first, and then Melanchthon and Jonas.²

The poor fellow was much troubled with melancholy, which took the form of unceasing lamentation over his sins. Luther, whose own early struggles had given him a fellow-feeling for his disciples, was wondrous kind and patient in comforting him. When Schlaginhaufen fainted on December 31, 1531, Luther indulged in a violent invective against the malice of Satan, and prescribed various methods of foiling him. When restored to a semi-conscious state, the victim of the diabolic machination could only groan out "My sins! my sins!" but a quarter of an hour more of exhortation and ghostly comfort finally enabled him to rise and go home.³

¹ Bossert attributes to him a witty satire on Eck, written 1530, entitled *Eckii Dedolati ad Caesaream Maiestatem Oratio*. (Cf. Pirckheimer's *Gehobelte Eck* or "Rounded-off Corner.") This was probably not his however, but by a writer with a similar name—Schlahinhaufen. Cf. Preger, *Einl.*, vi *et seq.*

² Preger, no. 77. He obtained the degree of master at an unknown date. Cf. *ibid.*, no. 323.

We now come to Anton Lauterbach, the most copious of all the notetakers, as well as one of the most energetic of later editors. Born at Stolpen in 1502, of well-to-do parents, he matriculated at Leipzig in the summer-semester of 1517 as of the "Meissen" nation.¹ He came to Wittenberg in September, 1521,² for a short visit, but he did not become a regular student there until April, 1529. He gives us much the same testimony as Luther on the prevalent lack of Biblical teaching. "I was a bachelor before I ever heard any text from the Bible, which was a mighty scarce book in those days."³ He took his master's degree at Wittenberg, and became a frequenter of Luther's table in 1531.

In 1533 Lauterbach was called to fill the office of deacon at Leisnig; but a quarrel with the pastor caused him to seek, and obtain, a similar position at Wittenberg.⁴ Here he was married, in the same year, to a nun named Agnes, and probably lived with his father-in-law, at least for a while. He was, however, a frequent guest at Luther's, if not a constant boarder for many years. During 1538, especially, he noted sayings of Luther for almost every day. He had similar *Tagebücher*, though not so full, for other years.

His regular connection with Luther was terminated in

¹ His father may have been the burgomaster of that name. My account is taken mostly from Seidemann, *Einl.*, p. v *et seq.*—an elliptical series of references to authorities, with a few words thrown in here and there. Anton tells an interesting story of his father and Tetzl. Bindseil, iii, 248.

² If he is not mistaken in saying so; he may have confused the date, or 1521 may be a slip for 1541.

³ Note in Bindseil: i, 126 (not in Dresden MS.)

July, 1539, when he himself was called to Pirna, an event which he relates in the following terms:

When Master Anthonius Lauterbach was called away by the Senator of Pirna, he bade adieu to his teachers, and asked that he might be kept as deacon still. Doctor M. Luther answered: "It seemed good to God to call thee to the pastorate of Pirna, and thou doest well that thou obeyest, and although we would willingly keep thee here, we may not act contrary to his will."¹

He returned to Wittenberg once a year to see his old hero, and take down a few more of his precious words.² After a long and acceptable ministry in Pirna he died there in 1569.³

Lauterbach's hobby was recording, collecting and arranging Luther's sayings. Käthe's shrewd remark⁴ that of all the disciples whom Luther taught gratis Lauterbach profited the most, was fully justified, at least if we may judge by the quantity of material which he has left us. He took notes himself pretty constantly from 1531-1539, and also on the short visits he later made to Wittenberg. Besides his own notes he made a large collection of the notes of his fellow-students. Finally he endeavored to blend all these sayings into one great collection, a piece of work which, in spite of repeated efforts, he could never complete to his own satisfaction. No less than four redactions of such a collection have come down to us, one of which was the basis of the famous edition of Aurifaber.⁵

¹ Bindseil, iii, 127.

² Proved by notes of his taken in these years.

³ Seidemann, p. viii. His bust may be still seen over the sacristy.

⁴ Kroker, no. 332.

⁵ For his notebooks, see *infra*, chapter iv; for his collections, chapter v.

Hieronymus Weller was born at Freiberg in 1499. He studied twice at Wittenberg, the second time in 1525, when, under Luther's influence, he changed from Jurisprudence to Theology. In 1527 he came into Luther's house, where he lived until 1536, when his marriage with Anna am Steig necessitated his setting up housekeeping for himself. In May, 1538, he left Wittenberg to become court preacher to the Prince of Anhalt and Dessau; in 1539 he was called to his native place as Professor of Theology, in which situation he lived until his death in 1572.¹

Weller is a less conspicuous and a less amiable figure than some of Luther's other guests. He took little part in the conversation, scarcely any of his remarks having been recorded. On one occasion he is "consoled" by Luther in a way somewhat disparaging to his character, and on another the company reflects rather severely on his cowardice.² His notes must have fallen between 1528 and 1537. A considerable number of them have come down to us,³ but they are of little value, as they were taken in a slovenly way, and mixed at random with notes copied from others, especially from Lauterbach.

Antonius Corvinus is known to us only through one note which Schlaginhaufen says he copied from him.⁴ It is an explanation of what the remission of sins is. If he really took notes, they were probably few, especially as he was never long at Wittenberg.

Born at Marburg, 1501,⁵ he first appears to history as

¹ Kroker, Einl., 10.

² Seidemann, pp. 71, 141.

³ At least if Kroker is right in identifying sections 4 and 8 of his publication with Weller's notes.

⁴ Preger, no. 342.

⁵ My account of Corvinus is taken partly from the *Allg. Deut. Bib.*, partly from Kroker, Einl., p. 11. Corvinus wrote an account of Eras-

a monk in the cloisters of Rigdagshausen and Loccum, where he probably obtained his education. The attraction of Luther's teaching brought him to Wittenberg for a short time in 1525. We see him in Marburg in 1526 as preacher and professor in the new University of that city. Later he became connected with Philip of Hesse, and took part in the Conventions of Ziegenhain (1532), Cassel (1535), where Melanchthon and Bucer had a disputation, and Schmalkalden (1537). He was active in propagating the Reformation beyond the borders of Hesse, for which the enemies of the new faith imprisoned him from 1549 to 1553. Shortly after his release, at the intercession of Duke Albert of Prussia, he died.

mus's attempt to reconcile the two Churches about 1533. It is described as "impartial and conciliatory," which is hard to believe when we learn that Luther wrote an introduction to it. Köstlin, ii, 320.

CHAPTER III

THE YOUNGER GROUP OF REPORTERS

IN spite of domestic sorrow and increasing ill-health, the last years of Luther's life show no relaxation of that indomitable spirit and energy which had characterized the vigor of his young manhood. Vexed by the bigamy of Philip, and the use made of it by the "Papists," and worried by the illness of Melanchthon in 1540, the religious conferences at Worms and Regensburg in 1541 and the measures necessary to discipline the Reformed Church made severe demands upon his strength in the following years. He found time, however, to revise his translation of the Bible, and to produce a number of polemic and homiletic works. His sufferings from the stone became constantly worse, and his feelings were harrowed, at first by the dangerous illness of his wife in 1540, and still more by the death of his favorite child, Magdalene, at the age of thirteen, in 1542. We find him as active as ever in the last year of his life, and only a few weeks before his death in February, 1546, he undertook a journey to Eisleben.

One by one all the young men who had been accustomed to take notes at his table left him, and for a while, at the end of 1539, there was a time when his conversations were not reported at all, which one would think would have been a great relief to him. Other students soon appeared, however, to renew the practice, and Lauterbach and Cordatus made occasional visits during which they would improve the convivial hour by collecting a few notes in their old way.

Luther probably entertained his students gratuitously.

There is never any mention of board bills in the Table Talk, and when Luther speaks of a financial transaction between a student and himself, the student is usually the beneficiary.¹ Doubtless some of them, as Dietrich, Lauterbach, and Auri-faber, paid for their entertainment in services as secretaries. The relation of *famulus* is one which has lasted to the present day, and is immortalized in the person of Faust's Wagner. Other students, as perhaps poor Schlaginhaufen, may have been taken for charity, and so expected to be ready to do odd jobs in return: possibly Cordatus would have been kept as a well-known theologian and sufferer for the Protestant cause. Luther's carelessness and generosity in money matters is well established; but he may have taken something from those of his guests who could afford it, rather however, in the way of gifts, than of stipulated rent or board.²

Of the younger group of reporters, Johannes Mathesius, who was to rival Lauterbach in the diligence with which he collected Luther's Table Talk, and to surpass him in the discrimination with which he arranged it, was first on the scene. His father was a Councilor of Rochlitz, where he was born in 1504.³ Johann attended the so-called "trivial"

¹ As where he records having paid something to have a student's room done over. *Hausrechnung*, De Wette, *op. cit.*, vi, 328. This shows that Plato (the student in question) roomed as well as boarded with Luther.

² Köstlin, ii, 498 *et seq.*, gives a full account of Luther's means of support, chief of which was his salary from the Elector of 300 florins besides something "in kind." He also made a profit from his garden and brewery and received occasional gifts. The translator of Köstlin (Chas. Scribner & Sons), whose name is not given, says that Luther, like other professors, took boarders for pay. I am unable to find this in the original. Professor Calvin Thomas kindly informs me that it was unusual for poor students to pay; and it may be that the practice of entertaining them was a survival of the old monastic custom.

³ His life, which I have consulted, was published by G. Lösche under

school, (i. e. school in which the elements or *Trivium* were taught), and, after 1521, the Latin school at Nuremberg. During the years 1523-1525 he studied at Ingolstadt, from whence he drifted into Bavaria, where he became converted to the Protestant cause. The renown of Luther and Melanchthon drew him to Wittenberg in 1529, but he did not, at this time, come into close relations with his teachers. In 1530 he was called as *Baccalaureus* to the school at Altenberg, and in 1532 was promoted to the headmastership of the Latin school at Joachimsthal, a mining town which had recently sprung up. Although his beneficent activity in this position drew many scholars and spread the fame of the school and its head, he had always felt a preference for the clerical calling, and when about thirty-five years old the opportunity came to him to follow his inclination. The providential means of fulfilling his pious wishes was a lucky speculation in mines¹ which by 1540 had enabled him to realize enough to re-enter Wittenberg as a theological student. The recommendations of Jonas and Röer got him the much-prized honor of a seat at Luther's table.

Mathesius has been called, though incorrectly, Luther's *famulus*.² How long he was his guest is not certainly known, but probably no longer than from May to November, which is the period covered by his notes of the Table Talk. That he was still occasionally invited to Luther's

the title, *Johannes Mathesius. Ein Lebens- und Sittenbild aus der Reformationzeit* (last edition 1904). The same scholar published his *Ausgewählte Werke*, 4 Bd., Prag, 1904 (2d edition). Short lives of Mathesius are given in Kroker, *Einkl.*, p. 11 *et seq.*, and Lösche, *Anal.*, p. 7 *et seq.*

¹ He became a partner in the lucrative mining business of Matthes Sax in 1538.

² Lösche, *Anal.*, p. 7, n. 4; Kroker, p. 11 *et seq.*

table, we know from the fact that in the lectures he later gave on Luther's life, he sometimes relates anecdotes of his hero's conversations from the years 1541 and 1542.¹ The reason he had to leave the house in November was due to the circumstance that he had collected a number of pupils to tutor. At first Luther kindly took the pupils with the master, boarding as many as four at one time, but when Mathesius added still others he saw he had to draw the line somewhere and the promising boarding school left the house to seek some less inspiring, if more expensive, refectory.²

After taking the degree of master in September, 1540, he spent nineteen months more in study, and then returned to Joachimsthal in the capacity of deacon. He visited Luther in the spring of 1545 and later became pastor of the church at Joachimsthal, where he died in October, 1565. During his later life he made a collection of *Tischreden* taken down by others, and added them to his own.

We have already seen in what enthusiastic terms he speaks of the privilege of eating with Luther, and hearing him converse.³ His statement, made long afterwards in a sermon, that the disciples would not speak until spoken to, and that then it was usually Schiefer who answered for the company, is curiously borne out in his notes. He hardly ever mentions himself or any of the younger men as saying a word; the name of Schiefer however, appears often. We observe too, that a greater number of jokes are recorded in his notes than in any of the earlier notebooks, a pleasant proof that Luther was not weighed down

¹ The *Luther Histories*. Out of 32 pages, 26 are devoted to anecdotes of the year 1540, 4 to 1541, and 2 to 1542.

² Kroker, *Einl.*, p. 40, quoting *Luth. Hist.*, xiv, 165b, and xvii, 209. See also Kroker, no. 167.

³ *Supra*, p. 10.

by the cares of his declining years, and an incidental indication of the increasing reverence in which he was held. The first reporters had noted down only serious remarks, now facetious, even damaging ones, are considered worthy of record.¹

He himself was less zealous in taking notes at first than he was afterwards, and occasionally missed a good chance, as we see in an anecdote in a sermon he preached many years later. He relates there that on Whitsuntide, 1540, he heard Luther recount the story of his life up to the Diet of Worms. Of this story, which impressed itself so deeply on his memory, there is nothing in the *Tischreden*.²

Kaspar Heydenreich, another of the reporters, was born in Freiberg, 1516. He was the successor of Mathesius in the headmastership at Joachimsthal in 1540, but resigned this position in 1541, and went to Wittenberg, where he took the degree of master on September 15 of the same year. On October 24, 1543, he was called to the position of court preacher to the Duchess Katharina, widow of Henry the Pious, whose residence was Freiberg. He followed her later to Torgau, where he became superintendent. Here he died in his seventieth year in 1586. A considerable number of his notes falling between 1541 and 1543 found their way later into the Mathesian collection.³

¹ For jokes, see Kroker, nos. 3, 27, 90, 94, 95, 96, 99, &c. We also see Luther's preoccupation with Philip's bigamy during this period. Cf. *ibid.*, nos. 181, 182, 188, 189, 200, 206, 210, &c.

² *Luther Histories*, xiii, 147a. (Quoted by Kroker.) It is possible, of course, that he may have been mistaken in the date.

³ A short notice of his life is found in Kroker, *Einl.*, p. 13. His authority is K. G. Dietmann: *Die gesamte der ungeänderten Augsp. Confession zugehörige Priesterschaft in dem Churfürstenthum Sachsen*. Bd. 4, p. 738.

Hieronymus Besold was born at Nuremberg about 1520. He came to Wittenberg to study in 1537 and attached himself to Melanchthon with whom he soon became a favorite. He did not begin his notes until after 1540, however, and only a few of them, belonging to the year 1544, have survived, in the Mathesian Collection. He was still Luther's guest at the time of the Reformer's death, after which he went to board with Melanchthon. Through the recommendation of the latter, he obtained a position at Nuremberg in November, 1546. His career was checkered, due to his varying attitude on the Interim. In 1555 he took the opinion contrary to that of his father-in-law, Osiander, and signed the *Confessio Anti-Osiandrina*. In 1562 he was carried off by the plague.¹

He completed the work, left unfinished by Dietrich's death, of editing the *Enarationes in Genesin*. His notes are of little value. It is painful to discover that he was, like Cordatus and Dietrich, on bad terms with Käthe, whom he considered a "domineering, avaricious woman," and of whom he stood in awe at first. Later their relations improved, and Käthe used him to perform some little household commissions, a willing return on his part, for the hospitality shown him.²

Of Master Plato, whom Mathesius speaks of as one who took notes after him, we know but little. He was probably Georgius Plato Hamburgensis who took his master's degree at Wittenberg, September, 1537. Luther speaks of paying five florins to renovate his room in 1542, which would indicate that he not only boarded but lodged with

¹ Förstemann-Bindseil, vol. iv, p. xiv; Kroker, Einl., p. 13. Only 19 sayings are attributed to him. (Kroker, nos. 260-271.)

² Köstlin, ii, 496.

his professor. His notes fall in 1540. He followed the bad practice which we discovered in Cordatus, of introducing the notes of others freely among his own, taking Mathesius especially as a source from whom to copy. We know his record in three copies, one that used by Melanchthon later in giving his lectures. Luther speaks of him as an ardent opponent of the Papacy.¹

Johannes Stolz was a Wittenberger by birth. He was matriculated as a student at that university in the winter-semester of 1533-1534. In 1537 he went with Jacob Schenk to Freiburg, but soon returned. He took his master's degree at Wittenberg, September 18, 1539, and three days later was called to the pastorate at Jessen, but shortly after returned to Wittenberg as docent. In 1546 he was dean of the Philosophical Faculty. In 1548 he was court preacher at Weimar. He died late in 1558 or in 1559. His notes have become indistinguishably lost in the Aurifaber collection. They must have fallen between 1542 and 1546 when he was with Luther.²

Johannes Aurifaber, the last of the reporters, and the first and most famous of the editors of the *Tischreden*, was born in the county of Mansfeld, about 1519. In 1537 he was sent to Wittenberg by the help of Count Albrecht Michael. In 1542 he became tutor to the young count of Mansfeld, and a year later field chaplain for the same patron. In 1545 he again returned to Wittenberg and spent

¹ Kroker, 235. Plato is ignored by the *Realencyclopaedie* and the *Allg. Deut. Bib.* Mentioned only once by Köstlin, ii, p. 676 n. to p. 487. He refers to De Wette, vi, 328, "Luthers *Hausrechnung*," where we find the entry "*5 Platon Stublin*." The note there calls him "Simon Plato Nobilis Pomeranus," but Kroker shows this to be incorrect and gives the true name. Einl., p. 14.

² This resumé is taken from Kroker, Einl., p. 14.

a year with Luther as his guest and *famulus*, accompanying him in the latter capacity to Eisleben in the last year of Luther's life. After his death, Aurifaber again became field chaplain in the army of the Elector of Saxony in the Schmalkaldic War, and in 1550 he was appointed court preacher to John Friedrich der Mittlere.¹

He took an active part, on the side of the Gnesiolutherans, in the quarrels which arose among the former leader's students. Employed in various diplomatic and confidential missions in the next few years, he got himself into trouble with Chancellor Brück on account of his firm stand against the sectaries. He was obliged to flee to Mansfeld in 1561, where his old patrons maintained him in leisure for some years. It was during this time that his *Tischreden* was prepared for publication (the book appeared in 1566) and others of his works relating to Luther. In 1565 he became pastor at Erfurt, and won the favor of the council there. He died ten years later in 1575.

In his first stay at Wittenberg, he did not come into personal contact with Luther, and he tells us in his preface that his notes were only taken in the last two years of Luther's life.² He had already begun to collect Lutherana in 1540, and by 1553 he tells us that he had 2000 of Luther's letters. As the basis of his edition of the *Tischreden* he took the fourth redaction of Lauterbach, translated the Latin words into German and added some material of his own and others. The arrangement gives no indication of the sources from which he took the various *Tischreden*, so it is impossible to say, except from internal evidence, which often cannot be applied, what notes are his own, what are

¹ Cf. *Realenc.*, ii, 291. Short lives of Aurifaber are given in the Introductions of Förstemann-Bindseil, Walch and Kroker.

² See *Supra*, p. 5.

Besold's, what Lauterbach's and others. It would be a conceivably possible, though a stupendous and almost fruitless task, to unweave the web he has woven and assign each of his sayings to its proper source, where these are already known, and distribute the residue, with some probability, to him or others according to the time in which they apparently fell.¹

¹ The proofs of the statements, and some account of his work more in detail, will be given later.

CHAPTER IV

THE SOURCES

IN the Preface we compared the process of accumulation whereby the sayings of Luther were gathered from a large number of primary sources into a few large collections, to a great river system in which many springs send tributaries into a few great streams. This comparison, however, gives no idea of the complexity of the process, and we might make the simile more exact if we imagined a large number of canals and aqueducts taking water from each spring and conducting into a number of tributaries at once, and crossing back and forth from one stream to another until the waters of all were thoroughly mixed. The simplest way of grasping the situation is by turning to the table in the Appendix, where the relations of the MSS. and editions are plotted in such a manner as will make the method of transcription and composition of the collections clear.

It will be seen from this table that we start with the twelve men who have left us records of the Table Talk. The notes of four of these are extant in their first form, or a close copy of it. They are: Cordatus, Schlaginhaufen, Dietrich and Lauterbach. Five others, Mathesius, Plato, Besold, Heydenreich and Weller are known by transcriptions into the Mathesian collection, and sometimes elsewhere. Of the others, Corvinus has left us but one note (taken into Schlaginhaufen's book), and the sayings taken down by Stolz and Aurifaber have become inextricably blended in the collection made by the latter. Besides these notebooks, we have one source of a different kind, in the

Luther Histories of Mathesius. For convenience we shall treat the sources under the three heads: 1. The Notebooks extant in their first form. 2. The Notebooks in the Mathesian Collection. 3. The Luther Histories.

1. The Notebooks extant in their original form

As might be expected, the diaries in which the disciples preserved their master's sayings, show all degrees of accuracy. Their value, though in all cases superior to that of the later collections, is very unequal, depending chiefly upon three things: *a.* whether the notetaker was a rapid and good writer or not. *b.* whether he dated his notes or not. *c.* whether he put down only what he heard, or also copied from his friends. We need not consider, at this stage, the possibility of conscious falsification, either in the interests of pious edification, or for any other cause. There would be no such alteration, because, the notes being kept for private use, there would be no motive for disturbing them. Later, when they began to be published, they suffered much in this way.

The best of the notebooks is that of Lauterbach for the year 1538. In this he carefully dated every saying, and he copied little or nothing from any one else. The notebooks of Schlaginhaufen and Dietrich occupy a middle place; dates are not given for every saying, but the notes were taken chronologically and approximate dates are easily deducible for all the sayings, exact dates for many. Schlaginhaufen tells us he copied one remark from Corvinus,¹ and we suspect him of taking a few others from Dietrich and Cordatus, but only a few. Dietrich kept what he copied from others in a separate book, and hence his own notebook is free from sophistication. His notes, unfortunately not yet published, are said to show a great

¹ Preger, *op. cit.*, no. 342.

degree of precision.¹ Those of Cordatus are the least reliable; he copied so much and so promiscuously that it is hard to assign any original value to his notes except in the cases in which they can be expressly proved to be his. His notebook, in fact, stands half way between a source like that of Schlaginhaufen, and a collection, such as those we shall consider in the next chapter. Let us now take up the notebooks briefly, in order.

As has been said, Cordatus was the first to think of preserving the Table Talk of Luther. His notes were not used by Mathesius or Aurifaber in their later collections, perhaps because Cordatus took pains to keep them from getting into circulation, mindful of Luther's injunction to his friends not to publish anything without his knowledge.² His notebook was first found and published in 1885 by Wrampelmeyer.³

Only very vague limits can be fixed as to the time within which his notes fell. The earliest date assignable from internal evidence is 1524 or 1525. The record was closed in 1537 when Cordatus left Wittenberg, as is proved by the naïve subscription of the man whom Cordatus employed to copy his notes, which reads: "Praise and thanks to God that I am at the end, for I have simply written myself half to death, and yet wouldn't give up. May God restore my right side which is smitten with cramp from immoderate writing. 1537. Glory to God! Finis."

¹ Preger, Einl., p. xxiv.

² As Wrampelmeyer conjectures, *op. cit.*, Einl., pp. 40, 41.

³ From a MS. in the Library at Zellerfeld. The identity of the author is established both by the inscription on the cover and internal evidence, such as the use of the first person. E. g., "Ad me, cum Wittenbergae agerem propter Verbum, quoties dixit: Cordate, si vos non pecuniam habetis, &c." See also passage quoted above (p. 14) and Wrampelmeyer, *op. cit.*, nos. 56, 133, 133a.

The value of the source under discussion is seriously impaired by the fact that the author copied promiscuously from his contemporaries Dietrich and Schlaginhaufen, mixing, as he expresses it, their crumbs with his in a mass of pious sayings, which may be pleasing to him but is extremely puzzling to the investigator. The copying was done not at one time, and in a separate part of the book, but concurrently with the process of notetaking by the author himself. Thus we have now a note of Cordatus, then a few from Dietrich, then one or two from Schlaginhaufen and back to Cordatus again.¹

Dietrich and Schlaginhaufen also copied something from him and from each other, but in an entirely different way, and one which does not impair the value of their notes. Cordatus copied by far the most, and mixed what he copied indistinguishably with his original material.²

Dietrich's extremely valuable report, which is preserved in the Nuremberg city library, still awaits an editor.³ It has been incorrectly attributed to Mathesius on the basis of

¹ The question of the authenticity and chronology of Cordatus' notes is extremely intricate. Wrampelmeyer (*op. cit.*, Einl., pp. 38, 39) gives a table of dates, which shows that he thinks he can fix the time of about 100 out of nearly 2,000 sayings. I consider his table unsatisfactory. On Cordatus' relations to Dietrich, Schlaginhaufen and Lauterbach (from whom he copied very much), see Kroker, Einl., p. 55; Preger, *op. cit.*, pp. xxiv-xxvi. Cordatus was immensely overestimated by Wrampelmeyer; he is, perhaps, unduly depreciated by the later investigators.

² Schlaginhaufen copied little; Dietrich kept what he copied separate from what he took himself.

³ Seidemann prepared this MS. for the press, but died before printing was actually begun. Köstlin used it in Seidemann's copy. Cf. Wrampelmeyer, *op. cit.*, p. 27, note 1. Köstlin, *op. cit.*, Vorwort to second edition, and vol. i, p. 774, vol. ii, p. 487. Dietrich's notes are discussed here, his *collection*, an entirely different book, in the next chapter.

an inscription on the binding, but internal evidence proves that Dietrich was the author.¹ On close examination Preger found he could date the individual notes, at least approximately. In their present form they are part of a manuscript which contains other material also. It has been proved that the part containing the Table Talk is simply bound in with the other material, and not copied with it from a common source by the same scribe. In binding, the quires of the notebook were disarranged; they originally followed one another in chronological order, which was restored by Preger.²

The conversations reported fall, as is stated in the title, within the years 1529-1535; the great majority of them demonstrably within the years 1531-1533.³

¹ The inscription is, "Mathesii ἀντίγραφον." This is certainly an error, probably caused by some half-obliterated words on the parchment binding, of which "Mathesii" is one of the few still legible. These words very likely contained some expression of Mathesius, or some quotation from him; whatever they may mean, it is certain the MS. is from Dietrich's notes. For proof, cf. Preger, *op. cit.*, Einl., p. xviii. Also Seidemann, *Sächsische Kirch- und Schulblatt*, 1876, no. 43. Lösche, *Analecta*, p. 10. Köstlin, *op. cit.*, vol. 1, p. 224, note 3.

² They are contained in pp. 33-200 of this MS. The notation of the quires is E-DD. An older notation, represented by the small letters, b-q, can be discerned, which lettering is found only on the sheets which have *Tischreden*. The order, mixed in the binding, was restored by Preger, *quem vide*, *op. cit.*, Einl., pp. xix-xxi. There is an Appendix of quires, F, G and H, which have no small letters. They probably contain copies from Dietrich's collection, and not, properly, his own notes. They puzzled Preger, who did not know that Dietrich kept a separate book for copies. Cf. *infra*, next chapter.

³ The dates are ascertainable partly by marginal notes, partly by internal evidence, such as reference to some contemporary event. Preger gives the dates and evidence, *op. cit.*, Einl., pp. xix-xx. He thinks the reference to the happy estate of the peasants points to the good harvest of 1530. It seems to me that the reference is rather to the good fortune of peasants in general in being free from temptation. The other indications used by Preger in dating appear to me perfectly sound.

Schlaginhaufen's book of Table Talk was discovered in a MS. in the Munich Library and edited by Preger in 1888.¹ It appears to be almost entirely original, though the author tells us he got one saying from Corvinus (no. 342), and another (no. 142) appears to have been copied also, perhaps from Dietrich or Cordatus. As we have just seen, Schlaginhaufen was much copied by them.

His notes fall in the years 1531-1532, and were taken by him in chronological order.² Schlaginhaufen is one of the most accurate and conscientious of the reporters, giving not only the substance but the exact form of Luther's words, as nearly as possible. Careful as he was, however, we can see that at times he wrote from memory, and not, as usually, on the spot, "just as if at a lecture." For example, the long exhortation by which Luther assisted him to recover from his swoon (no. 57) could not have been taken at the time, when he would have been in no condition to write. We have a curious indication, however, that it was written down the next day.³ In other cases it is natural to suppose that details of time, place and circumstance were added later.

Lauterbach was the author of a large number of books of Luther's Table Talk. These books may be divided into two classes, the notebooks (*Tagebücher*), in which he first entered the sayings as he heard them at table, and the collections, in which he afterwards edited and arranged

¹ *Ibid.*, Einl., p. v, proves the MS. to be from Schlaginhaufen's notes.

² *Ibid.*, Einl., pp. xv, xvi.

³ This is that when Cordatus copied it he dated it the day after it happened, probably copying the day of its entry rather than the day of its occurrence. In general, the accuracy of Schlaginhaufen is seen by the roughness of his notes. Kroker, *op. cit.*, (Einl., p. 3,) suggests this may have been due to the fact that Schlaginhaufen could not write as fast as Dietrich.

his raw material. He never did this in a way which permanently satisfied him, and so we have four redactions of the great edition. They will be discussed later, in the chapter on the collections. His early books of *Tischreden* may again be divided into two classes, those which he kept for his own notations, and those in which he copied what was taken down by his friends (we have called one of these his simple collection as opposed to his large edition, spoken of above.) Of the former class we possess one, the *Tagebuch of 1538*, in a close copy of the original, and two others, one containing material compiled during the years 1536 and 1537, and one for 1539, in the form in which they were later incorporated into the Mathesian Collection.¹

The *Tagebuch of 1538* is by far the most accurate source we have. It begins on January 1 and goes to December 12, dating each entry exactly, though not containing an entry for every day. Luther's words are put down in their exact form, the mixture of Latin and German which he used being retained. For his own remarks Lauterbach generally employs Latin, as the easier of the languages to write quickly.²

The notes are full as well as accurate. Lauterbach spent no less conscientious toil on them than Rörer did on his reports of Luther's sermons. From them and from Luther's letters we can get a clear and detailed picture of just what the reformer was doing and thinking every day of the year 1538.

¹ The relations of the sources to the later collections is made clear in the Appendix.

² This *Tagebuch* was edited by Seidemann in 1872. In his Preface (pp. iii and xiii) the editor proves the accuracy of the notes. A later critic discovers some omissions, cf. W. Meyer: "Ueber Lauterbachs und Aurifabers Sammlungen der Tischreden Luthers" in *Abhandlungen der königlichen Gesellschaften der Wissenschaften zu Göttingen, Phil. Hist. Klasse, Neue Folge*, 1897, vol. i, no. 2, p. 37.

The rapidity of writing caused some errors, and is constantly betrayed in the rough style of the notes.¹ Thousands of changes are made in the later collections in the material taken from this with the desire to improve the literary form and sometimes the sense also. For example, it is recounted of a locksmith's apprentice, how he saw an evil spirit which chased him for several hours one evening through the streets of Wittenberg and asked him whether he believed the catechism and why he had taken the Lord's Supper in both kinds, and forbade him to return to his master's house, which he therefore shunned for some days. Lauterbach and others brought him to Luther, who said, "We must not believe every one, because many are imposters." In the later collection the sense is completely altered; it is not the devil, but Luther who questions the young man on his faith.²

Lauterbach's notes for 1536-7 were absorbed into Weller's collection and with it taken into the Mathesian collection.³ His notes of 1539 have survived in a copy made by the Rev. Paul Richter in 1553-1554. From this a small selection was made and incorporated into the Mathesian collection.⁴

¹ E. g., Seidemann, *op. cit.*, p. 44. "3 Martii Luther habebat convivium sui regni. Ibi coenabantur, recitabantur psalmi evangelia catechismus orationes prout singulis erat demandatum; sed familia in pronunciando respirebat." Here *respirebat* is senseless and *coenabantur* is strange. In the MSS. *Wer.* and *Mun.* (see Appendix), and in Bindseil these words are corrected to *haesitabat* and *canabantur* respectively. Meyer, *loc. cit.*, p. 38. Meyer is criticising Seidemann's editing.

² As given in the *Tagebuch* it is undoubtedly correct, though Luther's response is inconsistent with his usually credulous attitude. Other examples given in Meyer, *loc. cit.*, p. 37. The anecdote is given in Seidemann, *op. cit.*, p. 6, for Jan. 10.

³ Secs. 4 and 5 of Kroker's *Tischreden in der Mathesischen Sammlung*. See *infra*.

⁴ Sec. 6 of Kroker. For Richter, see Appendix on MSS. His MS. is called *Colloquia Serotina*.

2. *Notebooks which have survived in the Mathesian Collection*

Besides the notebooks of the four men discussed in the first part of this chapter we have notes of Mathesius, Heydenreich, Besold and Weller, which were taken in part into the Mathesian collection. Mathesius made his collection on a different plan from those of Lauterbach and Auri-faber, who took the notes out of their original order and re-arranged them topically. Mathesius copied his sources one after the other, so that we can distinguish the contributions of each, date the notes and estimate their relative value. But though the Mathesian collection is divided into sections corresponding with the sources from which the editor copied, he does not tell us who is the author of each particular one, and the nice work of discrimination has to be based upon internal evidence. Kroker, who has edited Mathesius, has done the work admirably, and our account will follow him. Leaving the features which are common to the whole collection to be dealt with later, we shall now proceed to speak briefly of the individual notebooks which compose it.

The most important of these is Mathesius' own *Tagebuch*, printed by the editor as the first section of the collection.¹ The sayings fall in the months of May to November (except July, when Luther was away) of the year 1540. The order is that in which Mathesius took them down from day to day. The reporter did not take the trouble to date every entry he made, as did Lauterbach, but from the dates given and those deducible we can assign each saying to very nearly the proper day. Entries are not made every day, but there are some omissions, the longest of which are for the month of July, when Luther went to

¹ Evidence for the dates of the sayings given, Kroker, *op. cit.*, Einl., p. 27.

Weimar and Eisenach, and at the end of August, when either Mathesius may have left for a short time—Luther's beer had given out—,¹ or else he remitted his activity in taking notes because of Kätke's sharp reflection on the practice, recorded by Mathesius² in the following anecdote:

When somebody asked the Doctor a question his wife said jestingly, "Doctor, don't teach them free! For they have already learned much so, Lauterbach the most and the best." The Doctor answered, "I have taught and preached freely for thirty years; why should I begin to charge now?"

The other notes which have come down to us in this collection are of less importance. Those of Plato will be treated more fully in the next chapter, as they resemble a collection more than they do a notebook. A large and valuable selection from Heydenreich's notes of the years 1542 and 1543 is given in the second section of the Mathesian collection as printed by Kroker. Only excerpts were taken by Mathesius, as is proved by the fact that all the jokes, which must have been present, as they are so frequent in Mathesius' own notes, are omitted as unimportant.³

Besold's notes (a few poor ones only have survived) from the year 1544 are taken into the third section of Kroker's⁴ edition of Mathesius. Weller's notes also form a section of this work. He kept two books, one of which we may call a notebook, and one a collection, though there

¹ Kroker, *op. cit.*, no. 417, August 24.

² *Ibid.*, no. 332. See also no. 334, note.

³ There are 158 sayings of Heydenreich dated by the superscription 1542. Kroker (*op. cit.*, Einl., p. 40) proves some of them to have been from 1543. He proves in the same place that the section comes from Heydenreich. The sequence of the sayings was disturbed, just as in the cases of Dietrich and Schlaginhausen, in the binding.

⁴ Sec. 3 of Kroker's *Mathesius*, no. 260-271, Einl., p. 44.

is not much difference between them. He copied much from Lauterbach in both, and we have to distinguish the source of each by internal evidence.¹

3. *The Luther Histories of Mathesius*

Besides the sayings which have come down to us in the notebooks we have just been discussing, quite a number have survived in a different sort of a work where they are introduced casually, and do not constitute the main interest. This work is a series of "Sermons," or lectures, on Luther's life, published by Mathesius thirty years after he had ceased to take notes at Luther's table. Even after this stretch of time, the author was able to remember and recount some sayings of Luther which are found nowhere else, and for which, therefore, these lectures must be considered the source. It is easy to see how much less weight can be given to this than to the other sources which were written on the spot. Let us see how far Mathesius was dependent on his memory, and how far on his own, or others', previous notes.²

If we compare Mathesius' collection with his sermons we see that a great deal of material is common to both. Hardly a page of the latter is without some parallel in the former, parallels to his own notes of 1540 being especially

¹ Weller's *notebook*, sec. 4, Kroker; his *collection*, sec. 8. See Kroker, *op. cit.*, p. 45.

² The relation of the *Luther Histories* and Mathesius' notes was touched upon by Lösche (*Analecta*, Einl., p. 32), but he thought it not worth considering, as he found only eight parallels. Had he taken short sentences and clauses, which are evidently reminiscences of the notes, as well as the elaborate parallels, he might have made a much larger list. Kroker did this, and found over one hundred parallels to the collection, of which 80 were to Mathesius' own notes; besides this he found parallels to others—Dietrich, Lauterbach and Schlagenhaufen. For the *Luther Histories*, see Appendix.

frequent.¹ Are these parallels due to the fact that he remembers the sayings he inserts independently, or to the fact that he read them from his collection? We notice that he seldom quotes with verbal exactness, which proves, at least, that he did not have the collection before him as he talked. A further analysis shows three kinds of agreement, varying by degree of closeness. (a) Agreement of form and expression, which is very rare. When we find it, it is in short, characteristic expressions. Mathesius has the same penchant for enlarging on what Luther said, that we discover in Lauterbach and Aurifaber. (b) Agreement in content, with difference in expression. This is the rule. Luther's sayings are ornamented and the circumstances of their utterance given. Sometimes there is nothing to distinguish Luther's words from Mathesius' own remarks.² (c) Sometimes the sense as well as the form is changed.³

It is but natural that much of the material in the ser-

¹ Kroker, *op. cit.*, Einl., p. 67. As sources, Mathesius also used the Wittenberg edition of Luther's writings and Aurifaber's of his letters. Aurifaber's *Tischreden* had not yet appeared.

² Kroker gives examples, *op. cit.*, Einl., p. 69. The most important one is the story of the Elbe turning red, which is recounted in three separate documents by Mathesius, viz.: 1. A letter to Spalatin. 2. *Tischreden*, Kroker, *op. cit.*, no. 120. 3. In the *Luther Histories*. On their face these three accounts contradict each other; in one source Luther knows nothing certain of the facts, in another he has seen it; in one he thinks it a natural phenomenon, in another miraculous. Kroker tries to reconcile them all, but not successfully. The case really shows how unreliable is an account given from memory many years after.

³ Kroker gives examples, *op. cit.*, Einl., p. 71. One of these is Kroker, *ibid.*, no. 135. "Ego tres malos canes habeo, ingratitude, superbiam, invidiam," etc., where it seems that Luther is referring to his own temptations. In *Luther Histories*, lxii, 136b, the same words are used, but applied to the clergy under him. Kroker thinks the later account the true one, as the more probable; it seems to me that we ought to follow the earlier even at the cost of making Luther accuse himself of being tempted.

mons and in the notebook should be the same. Mathesius would remember what he had heard and written down previously. But by the variation in the two reports we see that one was not taken from the other. Besides there is much material in the sermons which comes from the years in which Mathesius no longer took notes. For such material the sermons are a source. Not being taken down at the time, however, and varying considerably from the material which was taken down at the time, they have less authenticity and authority than the notebooks.

CHAPTER V

THE COLLECTIONS

BESIDES taking notes of their own, many of the reporters were diligent collectors of notes taken by others. Sometimes they kept these separate from their own, sometimes they put what they copied along with their own original material. Sometimes the collections were kept in the form in which they were found in the original, sometimes they were "edited," *i. e.* smoothed off and rearranged in some definite order, usually topical. On the basis of the way in which they were collected we can, for the sake of convenience, divide the collections into three classes.

a. Mixed, *i. e.* those in which the reporter put down notes from other sources along with his own original ones promiscuously and with no attempt at order. It is hard to distinguish these collections from the notebooks, and the distinction must be somewhat arbitrary, based on the relative importance and quantity of the original and the copied notes. Cordatus, for example, had such a book, but as his own notes are in fairly large quantity and greater in importance than the copied ones, we found it convenient to consider his book as a notebook. Plato and Weller left books much like his, but in them the amount of original material is relatively so much smaller that we may consider them rather as collections than as notebooks.

b. Simple, *i. e.* those in which the author kept the notes

he copied distinct from his own. Such were made by Dietrich, Lauterbach and Mathesius.

c. Edited, *i. e.* those in which the material was much changed, the notes rearranged and polished. Such was the collection known as *Farrago literarum* and such were the great collections of Lauterbach (not to be confounded with his simple one) and of Aurifaber.

We shall speak of each of the collections in turn.

That of Plato is uninteresting and of little value except as illustrating the vicissitudes through which the sayings of Luther might go before they reach us. He made the compilation chiefly by copying freely from Mathesius' notebook of 1540.¹ When Mathesius was making a collection of his own, he got hold of Plato's, most of which was taken from his own notes, and reincorporated it into his own collection, thereby duplicating some 135 sayings which he already had in their original form. Plato also copied from Dietrich, Lauterbach, and perhaps Stolz and Aurifaber, and made some slight attempt to put the sayings in topical order. The work has survived in two other copies. Melanchthon chanced to get a copy, and when he was lecturing to a class on Luther some years after his death, he took large portions of Plato as a text. These lectures were taken down by a student named Vendenhaimer, and have found their way into the *Corpus Reformatorum* along with Melanchthon's works.²

Weller's record of the table talk is also more famous for

¹ The three copies in which Plato's collection has survived are those known as *Memorabilia*, *Melanchthon*, and *Mathesius*, sec. 7. Kroker proved Plato to be the author, *op. cit.*, Einl., pp. 48-54. How much he copied from Mathesius is seen by the fact that of 149 sayings in the *Mathesian Collection*, 135 had been taken from Mathesius' notes of 1540.

² See Appendix, p. 115, for *Corpus Reformatorum*.

its complicated history and obscure method of compilation than for any value it has as an original text. We have already discussed his note book, which approaches a collection in form, as it consists largely of copies from Lauterbach. In like manner his collection has a number of original notes. Both have survived only in the copy by Mathesius, the former in Section 4 and the latter in Section 8 (as printed by Kroker).

Weller's larger work was not incorporated in the Mathesian collection by Mathesius himself, but by the man who copied it, Krüginger. As printed by Kroker, Weller's copied notes form the eighth section of the compilation called by the name of Mathesius; in the MS. which he edited it is the first. This is because Weller had been first copied by Krüginger, who made his work the first part of a new collection of his own and copied that of Mathesius as the second part. As Krüginger was a mere copyist, we always speak of the total result as the Mathesian collection, although it must be remembered that properly only sections 1-7 as printed or 2-8 as in the MS., were compiled by Mathesius himself.¹

To return to Weller. We can discover three sections in his aggregation of notes, the first of which consists chiefly of copies from Lauterbach (and perhaps Cordatus),² the second, mostly of selections from Lauterbach's *Tagebuch* of 1536-7,³ and the third, of excerpts from Dietrich and Lau-

¹ The complicated proof that Weller was the original of this collection, and that Krüginger copied it as a whole and did not compile it himself from the originals, is given by Kroker, *op. cit.*, Einl., pp. 54, 55.

² Parallels are found both in Cordatus and Lauterbach's great collection. The parallels in Cordatus are best explained by saying that Cordatus copied from Lauterbach's notes, which he later took into his great Collection. Kroker, *op. cit.*, Einl., p. 57.

³ *Ibid.*, Einl., p. 58. There are no notes for February, 1537, when Luther was at Schmalkalden.

terbach, with a few original notes of Weller's own.¹ The date of compilation was probably 1537 or 1538.

The simplest of the "simple" collection is that of Dietrich, of which nothing need to said but that it contains copies from Cordatus, Schlaginhaufen and Lauterbach made in the same years in which Dietrich was taking notes himself, *viz.* 1529-1535, and that it has survived only in imperfect copies of portions made by three persons, one of whom was Mathesius, who made it part of the 6th section of his work.²

Lauterbach's simple collection (we must again warn the reader not to confuse it with his notebooks on the one hand or his great edition on the other) is extant in three MSS. as an appendix to his *Tagebuch* of 1538. It has never been edited, and indeed is not worth editing. All or most of it was taken into his great edition later, when the contents were polished and rearranged. It seems to be quite complete, containing copies from almost all the earlier group of reporters and perhaps some of the later. It was probably made in 1538 or 1539 soon after Lauterbach left Wittenberg.³

¹ *Ibid.*, pp. 60-65. A few parallels to the third division are found in Weller's works. They are of the kind known as *Trostschriften*; one on a woman in spasms, one on the devil and the jurists—personages who had a peculiarly close relationship in Luther's mind.

² *Ibid.*, Einl., p. 46. The other MSS. which contain excerpts from it are those we have called *Bavarus* and *Obenander*. See Appendix. Some copies are made from an otherwise unknown and unidentifiable source.

³ The MSS. which contain this collection are *Khumer*, pp. 257-426, *Wer.*, pp. 35-212b, and *Mun clm* 939, pp. 7b-116b. The whole subject is discussed by Meyer, *loc. cit.*, p. 40. Seidemann, who edited the *Tagebuch* of 1538 read these notes, which he says also come from Lauterbach's notes (Seidemann, *op. cit.*, Einl., pp. ix, x). He seems to have thought, however, that they were in some way collected by the author

The compilation of Mathesius, in the form of an appendix to his own notes of 1540, is the largest we have, being, in fact, a collection of collections. As it now stands (in the printed edition of Kroker from Krünger's copy) it consists of eight sections, each section corresponding to the notes copied from one of the author's sources. Each source was taken and copied straight through, with no attempt to rearrange the notes. These sections are:

1. Mathesius' own notes of 1540.
2. Heydenreich's notes of 1542-1543.
3. Besold's notes of 1544.
4. Weller's notebook (with copies from Lauterbach, see *supra*).
5. Lauterbach's notebook of 1539.
6. Copies from the notebook and collection of Dietrich.
7. Plato's collection.
8. Weller's collection.

The accumulation of these sources was gradual. Mathesius started with his own notes of 1540 and after Luther's death added to them notes from others one by one as he came across them, those of Heydenreich and Besold in 1547, the next two sections in 1548 and the seventh some time later. The eighth section was not in Mathesius' own collection but was added by the copyist, Krünger.¹

of the MS., *Khumer, viz.*, Khumer, a friend of Lauterbach's. This could not have been so, however, as Khumer's MS. dates from 1554, and the collection had already been copied 1550 in *Mun. clm.* 939. In general, the notes agree in form closely with the later great collection of which they formed a chief source.

¹This section was one which had been copied by Krünger from Weller before he got Mathesius' collection, and was made by him the first section of the collection as it now stands in the Leipzig MS. Kroker, who edited the MS. in 1903, restored the order of Mathesius and printed (or rather summarized) Krünger's own collection in the 8th section. Cf. *supra*, p. 37, on Weller's collection.

A greater contrast in the treatment of the same material than that between the original notes and early copies of the Table Talk, and the later polished, or "edited" collections can hardly be imagined. The notes were taken roughly and hastily at first, in transcription they were somewhat altered, abbreviations were expanded, omissions filled in, smooth forms substituted for rough, one language for the mixture of two and grammatical for ungrammatical constructions. These changes were begun by the reporters in copying their own notes, but they were extremely slight compared to the changes made by the later editors.

In the original notes the chronological order is the one usually followed, and there is no attempt to replace it by the topical. In the edited collections the material is cut up and redistributed, explanations are added, much is omitted and much entirely recast. The idea was no longer to give a faithful report of Luther's exact words, it was to make an edifying book, something which would serve partly as a repertory for anecdotes to be used in sermons, partly as a pious memorial of Luther. All obscurities were cleared up, whatever was coarse was softened down, and whatever would give ground to the enemies of the faith was attenuated. Sometimes changes were made in the interest of picquancy, sometimes the original was misunderstood.¹ Dates and circumstances were added from memory, often incorrectly.

¹ An interesting example of this is found in the story related in its original form by Cordatus (*Wrampelmeyer, op. cit.*, 945) and taken (either from him or some other source) into a later collection (*Förstermann-Bindseil, Tischreden*, i, p. 293). In Cordatus it is: "Et Maximilianus valde suspiciosus fuit in re militari. Gentes in periculis mac-taverunt etiam dilectissima," etc. Luther was thinking of such cases as Iphigenia, but the application of his words directly to Maximilian lead to the following amusing translation: "Kaiser Maximilian soll in Kriegshändeln sehr abergläubisch gewesen sein; in Fährlichkeiten thät er Gott Gelübde und schlachtete was ihm am ersten begegnet, wie man von ihm saget."

One MS. preserves an early attempt to compile such a book by an unknown author, which, though neither large nor good, nor historically important, is interesting as showing the first case of the topical redaction which added so greatly to the value of the book for purposes of edification. The MS. was written in 1551 by "M. B." and is called *Farrago literarum ad amicos et colloquiorum in mensa R. P. Domini Martini Lutheri*.¹

It was the most assiduous of the reporters who became the most diligent of the redactors and collectors. Lauterbach had a vast quantity of original notes as well as a collection containing copies from other reporters. These he kept by him until 1558 (twenty years after the bulk of them had been taken) and then he decided to put them all into a single volume, neatly polished and topically arranged. This great work took him two years, and when it was done he was not satisfied with it but worked it over three times within the course of the next two years *i. e.* 1560-1562. We shall say just a word about each of the redactions to show his method of procedure and its effect upon the Table Talk.²

The first edition of the great collection was made, as has been said, in the years 1558-1560.³ The arrangement is somewhat peculiar. After cutting up Luther's sayings in tiny sections with separate titles, he combined them into large groups under general captions. He began by arranging these groups according to his idea of the relative

¹ See Köstlin, *op. cit.*, vol. i, p. 774; Kroker, *op. cit.*, p. 6, note 1.

² My account is taken entirely from W. Meyer: "Ueber Lauterbachs und Aurifabers Sammlungen der Luthers Tischreden," in *Abhandlungen d. k. Gesellschaft der Wissenschaften z. Göttingen, Phil. Hist. Kl., Neue Folge*, Bd. i, no. 2, 1897. For these redactions, see pp. 9-18.

³ MS. in Halle edited by Bindseil in three vols., 1860-63, see Appendix.

importance of their subjects from a theological standpoint. Thus the first chapter treated God, the second the Bible and so on. After a while all the important points of doctrine had been disposed of and he came to a lot of chapters treating of matters indifferent. These he arranged in alphabetic order, making them the second and third volume of his collection.¹

Lauterbach's second edition of his collection was made shortly after the first was completed.² Its peculiarity consists in the rearrangement of the small sections in the larger chapters.³ Many passages are omitted, some material is added though not much. The chief addition is that of introductions to many sections by Lauterbach himself, giving circumstances and explanations. These he may have taken from notes, but more probably added from memory.

The third redaction we do not know in a good copy, but only in Rebenstock's edition in which all the German is turned into Latin. This was completed about 1561.⁴ Its characteristic is that the chapters or chief divisions are rearranged. These changes were in part intentional, in part due to carelessness, a section omitted by oversight in one place being inserted at another. A good example of

¹ This order was misunderstood and confused by the copyist. It has been restored by Meyer.

² Preserved in two copies in MSS. at *Dresden* and *Gotha*, see Appendix.

³ E. g., under chapter "Civitas" all the sayings about each particular state are brought together.

⁴ Rebenstock says he took it (1571) from a MS. "*ante annos 10 ad aeditionem parata*." Bindseil, vol. i, Einl., pp. lxxxi-c. He was much puzzled by the relation of Rebenstock to this MS. The date of the second redaction should have been 1561. The Gotha MS. has 1562, but that may only refer to the time when it was copied from Lauterbach's original. Or both the third and second redactions may have been 1562; Rebenstock's 10 years being simply approximate.

the first kind of change is the grouping the chapters *Antinomi*, *Anabaptistae*, *Antichrist*, *Papae*, *Papistae* and *Papatus* all together under the head of Luther's enemies, the intention being, of course, to get a more logical order. An example of the other kind of change is found in the insertion of the chapter "*Absolutio*,"—which had been accidentally omitted before,—between the sections on "Luther" and "Melanchthon." Such an oversight is made possible by the fact that Lauterbach distributed his notes into quires, and his arrangement consisted in making a new arrangement of these; when a quire was mislaid it was left out of its proper place, and inserted later, when found.

Another striking characteristic of the third redaction (and also of the fourth, which may have been copied from it) is the recurrence of numerous and important omissions. In some cases these were undoubtedly intentional, as they are of irrelevant passages,¹ in other cases no such reason can be assigned, and the omissions must have been due to carelessness or accident. The arrangement of the last half of Part I and the whole of Part II is the old alphabetic one.

The fourth redaction is known to us in the Wolfenbüttel MS. of 1562. As it was the one taken by Aurifaber as the basis of his printed edition, we will discuss it later when we come to him and his relation to Lauterbach.²

The differences between these four editions are far too great to be accounted for by any vagary of a copyist or scribe. They imply conscious redaction. We are sure that Lauterbach was the redactor of the first three editions, and probably of the fourth, though the proof for it is not clear as that may have been an early attempt of Aurifaber.³

¹ Meyer, pp. 12, 13. On pp. 14-17 he gives a long list of text changes in the various redactions.

² *Infra*, p. 62.

³ Bindseil (Colloq., vol. i, Einl., p. xxxix) proved that Lauterbach

Lauterbach's method of working is interesting. We see by comparison of the original sources with his version of them in his great collection that he changed not a little. In his first notes we see how scrupulously careful he was to get the exact form of Luther's words. He changed this a good deal in his first edition of the collection, and even after that, with the intention of improvement. He doubtless felt that the way in which the sayings had been reported was not absolutely definitive. His changes were not confined to supposed textual emendations, but were often made with the manifest purpose of edification, and especially of eliminating whatever might damage the character of his hero.¹

He took no care, however, to avoid repetitions, and many an old "grouse in the gun-room" story of Luther's meets us in several places. Sometimes he combined entirely different stories to get a good narration. Sometimes he deliberately falsified the text in the interests of piety. Even though his motive was good his lack of literary tact and discrimination made the text worse when he changed it. He was encouraged to change because, having taken notes himself, he was aware that it was hard to get the exact form of Luther's expressions, and therefore corrected them in accord with principles which he supposed would bring out the true sense.

The most famous of all the collections, and, until within was the collector of the first redaction. Meyer (pp. 19, 20) goes over his reasons and proves the 2d and 3d redactions to be by Lauterbach. This certainty is worth something, as it gives a little more authority to changes than if they had been by some one else.

¹ Meyer, pp. 20-25. Besides *Tischreden*, Lauterbach mixed in some extraneous material, such as *e. g.*, letters and allegories related by Melancthon. Meyer found parallels to some of them in old MS. collections of allegories.

fifty years the only one (except Rebenstock's edition, which has always been scarce) to be printed, is that made by Aurifaber. He had begun collecting materials for it with a view to editing at least ten years,¹ indeed one may say twenty years before it came out, when he sat at Luther's table and took notes of his sayings along with the other students. It may have been that he met Lauterbach at this time, when the latter came for a short visit from Pirna where he was pastor.

It was not until about 1561, however, that he really began to think of using the material he had accumulated for an edition of *Tischreden*. In that year his quarrel with Chancellor Brück compelled him to take refuge with his former patron the Count of Mansfeld, and the five years of enforced leisure which followed he used to good advantage in literary labors. He was doubtless encouraged to publish the *Tischreden* by the success his edition of the letters had attained. The materials in his hands were not copious, and to supplement them he turned to Lauterbach whose reputation as the best of the notetakers was already well established. In 1562 he got hold of one of Lauterbach's redactions—though just how is not known. He knew it was Lauterbach's, for he mentions him in his preface as his chief source, and it is probable that Lauterbach himself gave it to him, for he had just completed it himself, and there would hardly have been time for an intermediary copy.²

¹ In the Introduction to his edition of Luther's letters, vol. i, which came out 1556, he tells us that he had already been collecting: "*Lutheri enarrationes in aliquot libros biblicos, multorum annorum conciones, disputationes, concilia, colloquia & epistolas.*"

² The general similarity and numerous minor differences between Rebenstock, the Halle MS. and Aurifaber puzzled investigators like Bindseil, who did not know the history of the redactions, first worked out by Meyer.

In the MS. at Wolfenbüttel mentioned above we have a fragment of what is either a fourth redaction by Lauterbach, or, what is more probable, an early attempt by Aurifaber. It is extremely interesting as being something between Lauterbach's earlier redactions, and the collection of Aurifaber, as we know it in print. It contains only 168 sayings, all translated into German in Aurifaber's manner. He appears to have omitted the introductions and extra material put into his third redaction by Lauterbach, which would go to show that he copied one of the first two. All the material in this MS. was incorporated later into his printed edition by Aurifaber.

Aurifaber was so much pleased with Lauterbach's redaction that he adopted it as the basis of his whole work, and did not change its form much. He translated all the material into the vernacular, and occasionally would improve Lauterbach's account by means of another.¹ Sometimes the same saying crept in twice. Almost all the material can be traced to its source, by far the greater part in Lauterbach, a little to other sources. The irreducible minimum, for which no previous authority can be found, comes from Aurifaber's own notes, or from what he had copied of Stolz.²

¹ Example, Aurifaber, ch. 13, no. 39, where Lauterbach's account (Bindseil, i, 59) is corrected by Schlaginhaufen's (Preger, no. 522).

² Bindseil noted at the end of his third volume the passages translated from Lauterbach in the German *Tischreden*; every new research shows more parallels between this edition and the sources. Cf. Meyer, p. 33.

CHAPTER VI

THE PRINTED EDITIONS OF THE TABLE TALK

THE result of all this collecting and editing was seen at last in July, 1566, when the stout folio appeared at Eisleben. Aurifaber placed the arms of the Counts of Mansfeld on the reverse of the title-page, and dedicated the result of his labors comprehensively to "Den Edelen, Ehrenuesten, Erbarn und Wolweisen, Ammeistern, Stadtpflegern, Eldtern, Geheimbten, Bürgermeistern, und Rath, Der Keisserlichen Reichstedte, Strassburg, Augsburg, Ulm, Norimberg, Lubeck, Hamburg, Lüneburg, Braunschweig, Franckforth am Mayn, und Regensburg, &c., Meinen grossgünstigen Herrn."

The Preface tells how the *Tischreden* were collected, and gives an exalted appreciation of their value in satisfying "geistlichen Hunger und Durst."¹ They at once became immensely popular, and were reprinted from this edition in five years at least six times. Two of the new editions were pirated, and in his own reprint of 1568 Aurifaber bitterly complains of this. The book has been exploited, he says, by "Master Klügling, who entered into my labors, changed the title and altered much in the book, at sundry times enlarging and (supposedly) improving it with new sayings, all without my knowledge or approval. . . . But let every one know that if there is any one who can improve or add

¹ Förstemann-Bindseil, *op. cit.*, vol. iv, p. xxiii *et seq.* See Appendix for list of editions.

to the *Tischreden*, it is I, (I can say it without vainglory) for I have enough in MS. to make a new volume, or at least greatly enlarge my first one."¹

The changes referred to by Aurifaber are hardly so great as to justify his language about them. That of the title is simply the insertion of Lauterbach's name along with that of Aurifaber, certainly justifiable from the amount he contributed to it.² The other additions and "improvements" are very slight; it is to Aurifaber's interest, of course to exaggerate the faults of "Master Klügling" in order to enhance the genuine worth of his own reprints.

The next editor was Rebenstock, who got hold of one of Lauterbach's redactions and translated the whole thing into Latin. His edition never enjoyed much popularity, and is now excessively rare. It was used somewhat outside of Germany; for example, if we may believe a French translator of the Table Talk, by the great Bayle.³ The work came out in 1571 in two octavo volumes.

There is a preface of Rebenstock in a letter to Philip Ludwig, Count of Hanoia and Rineck, Lord of Mintzenberg. It is a long exhortation, mingled with sacred history and ending with a eulogy of Luther. As to the Colloquies he is editing he says:

A certain pious man, a lover of the Evangelic truth, wrote Martin Luther's *Colloquies* in Latin, but mixed in many German words. . . . And when the printers, by the advice of

¹ *Ibid.*, pp. xxvi, xxvii.

² The changes are, in fact, so small that Bindseil (*ibid.*) did not think Aurifaber could be referring to them, and looked in vain for some

learned men, wished to publish the colloquies in Latin, they asked me to turn the German words into Latin. . . . I never proposed to undertake this labor, however, in order to defile Luther's pious sayings with other impious and unedifying ones, or to add new ones, or to acquire glory and profit to myself (as the Sacramentarians and Ranters of to-day presume to do), but I proposed to render our master his praise, and so, aided by the counsel of learned men, I entered upon the work. . . .

Dated "Ex Cinericea doma, in die S. Laurentii, 1571," and signed "H. P. Rebenstock Escherheymensis Ecclesiae minister."¹

This Preface would seem to show that Rebenstock was a mere linguistic aid, and not an editor in the proper sense of the word.² He either did not know, or did not reveal, the name of the "pius vir" who made the collection, but he says in his preface that it was not Aurifaber. We, of course, know that it was Lauterbach.

The first editor to compete with Aurifaber in a German edition was Stangwald, Candidate of Theology in Prussia. He printed a first edition in 1571 and a second in 1591. He took Aurifaber's material, but arranged it in a different way, instead of the eighty chapters of Aurifaber, we have nine great unnumbered divisions, and forty-three chapters under these. He claims to have used Mörlin's notations to the MS. of Aurifaber, as well as the notes of Mathesius and others, and also to have excised some sayings which he believed unauthentic. His changes, were, however, very slight indeed.³

¹ Bindseil, vol. i, p. lxx.

² Cf. Meyer, *loc. cit.*, p. 6.

³ Irmischer, *Tischreden in Sämmtliche Werke Luthers*, vol. 57, Einl., pp. xii-xiv. A full description of all the editions will be found in the Appendix. This present chapter aims to give a brief account of each

Nicholaus Selnecker (or Selnecker) was the next editor. His edition came out in 1577. He recognized in his title that the *Tischreden* were first collected by Aurifaber, and he claims to have brought them into a new order and added an index. These claims are unjustified. He merely reprints Stangwald's edition of 1571, which had changed the order in Aurifaber's. He was enabled to make this claim by the fact that Stangwald had not put his name on the title page of his edition of 1571, and it is only by his allusion to it in his subsequent edition that we know it was his. It was once a question whether this was really his edition or Selnecker's; it is now settled that it is Stangwald's.¹

The first editor to make the German *Tischreden* a part of Luther's *Sämmtliche Werke* was Walch, who published them 1740-1753. They form volume XXII of his edition. He gives an account of how they were collected, and a discussion of their value in his preface. His labors were confined to comparing Aurifaber, Stangwald and Selnecker, as none of the sources were then known.²

The so-called Stuttgart-Leipzig edition of 1836 is a mere reprint of Walch.

A new edition, on exactly the same plan was undertaken in 1844 by K. E. Förstemann. It was based like Walch on a comparison of Aurifaber, Stangwald and Selnecker. Förstemann died when three volumes of this work had been completed, and H. E. Bindseil edited the fourth and last. In his preface to this he states the method of his work. He compared not only the three editions and Walch, but also Luther's letters, and in part the Latin edition (in the MS.

¹ Irmischer, *op. cit.*, vol. 57, p. xiv. Förstemann-Bindseil, *op. cit.*, vol. iv, Einl., xxxvii. Some of Selnecker's minute changes are given here. They are simply verbal.

² See *infra*, Appendix.

he edited later). He discussed the sources with more science than any one had used hitherto, though he knew nothing of them except as they were mentioned in Aurifaber's preface and Mathesius' sermons. He went as far as any one could who had to rely on the old collections, and who did not know the sources directly.

In 1854 Irmischer edited the *Tischreden* for the *Sämmtliche Werke*, published at Frankfurt-am-Main and Erlangen, of which they form six volumes numbered 57 to 62. Irmischer proceeded on the same critical principles as Walch, although they had really been exhausted by previous editors. Since then no other work of this kind has been undertaken. The volume of the Weimar edition which is to be dedicated to the *Tischreden* will be edited on entirely different principles.¹

The years 1864-1866 saw a new Latin edition of the Table Talk—the first since Rebenstock's. Bindseil edited it from a MS. he found in the Library of the Orphan Asylum at Halle. He rightly assigned the collection of *Tischreden* found therein to Lauterbach, but was sorely puzzled to explain the relations of his MS. with Rebenstock on the one hand and Aurifaber on the other.² He did the work of editing thoroughly, pointing out the parallels in the German and previous Latin editions.

The year 1872 marks an era in the publication of the *Tischreden*. Prior to this time the labors of editors had been confined to working over and over the old collections, especially Aurifaber's. Beginning with the printing of Lauterbach's *Tagebuch* in 1872 the efforts of scholars have been turned to the fresher and far more fruitful field of

¹ Cf. *infra*, p. 54, n. 1.

² He merely stated the problem without answering it. The answer was, as we have seen, given by Meyer.

the original notes. J. K. Seidemann¹ was the first to see their value, and he edited the best of the sources in the *Tagebuch* mentioned above. He prepared two other MSS. for the press, Dietrich's notebook, which has never been printed, since Seidemann's unfortunate death interrupted his useful labors, and the *Analecta* which were later published by Lösche, both men believing them to have been the Mathesian collection. The value of the *Tagebuch* was immediately recognized by scholars, who saw the relative worthlessness of the older collections of *Tischreden*. Unfortunately Seidemann's work on Dietrich, the most valuable source now unpublished, has never been taken up again. Seidemann's "diplomatically correct copy" was used by Köstlin in his great work.

In 1885 Wrampelmeyer followed with Cordatus's *Tagebuch*. In the absence of the means of judging it which we possess now, he immensely overrated its value; to him even its faults were qualities, proving its authenticity. Some of its failings were pointed out by Preger in his edition of Schlagenhaufen, some by Kroker in his *Mathesian Collection*.

Schlagenhaufen's notes found an able editor in 1888 in the person of Preger. They at once took their place as among the best of the sources, ranking along with Lauterbach's *Tagebuch* and Dietrich's notes.

In 1892 Lösche edited a rather worthless MS. under the title *Analecta Lutherana et Melanchthonia*, believing it to be the Mathesian collection, the existence of which had long been known by references to it by Aurifaber and Mathesius himself. Lösche was lead to this task by his interest in

¹Lösche gives a sketch of Seidemann's labors in this field. *Analecta*, Einl., p. 1 *et seq.*; Köstlin, *op. cit.* (ed. 1889). Vorwort, p. iii, says he used Dietrich in Seidemann's copy.

Mathesius, whose life he had written and whose works he had edited. Seidemann had left a correct copy of the MS. and pointed out a large number of parallels in the sources. In verifying his parallels Lösche found three hundred which had been overlooked by Seidemann. A later authority found that Lösche had himself overlooked several hundred.¹ We have already seen that the MS. was the copy of a copy of Mathesius' notebook of 1540. Lösche proved this date and also that the MS. dated from the last part of the 15th century, probably after Mathesius's death in 1565.

The real Mathesian collection was edited in 1903 by Kroker. It is extremely valuable as opening up new sources in a reliable copy.

One attempt, and only one, has hitherto been made to get a comprehensive edition of the *Tischreden* founded on the sources. This was undertaken by Professor A. F. Hoppe, of St. Louis in the reprint of Walch's *Sämmtliche Werke*, under the auspices of the Lutherischer Concordia Verlag, 1887. The scope of the edition is indicated in its title *Dr. Martin Luthers Colloquia oder Tischreden; zum ersten Male berichtigt und erneuert durch Uebersetzung der beiden Hauptquellen der Tischreden aus der lateinischen Originalen, nämlich des Tagebuchs des Dr. Conrad Cordatus über Luther 1537 und des Tagebuchs des M. Anto. Lauterbach auf das Jahr 1538*.

In his introduction Professor Hoppe gives a very just idea of the worthlessness of the old editions, which are nothing but Aurifaber printed over and over again. Indeed Aurifaber is very severely treated by the new editor who says he handled the originals very arbitrarily, took sayings out of their context, made mistakes in reading, in dates, in translation, in assigning sayings to wrong per-

¹ Lösche, *op. cit.*, Einl., p. 6; Kroker, *loc. cit.*, Einl., p. 28, note 4.

sons, in short falsified and altered to suit himself. A glowing description of the high worth of the two sources used is given, taken from the introductions of their editors, and then the work of this new edition is described. 520 duplicates, found either twice in the *Tischreden*, or elsewhere in the works, are eliminated. The 1843 paragraphs of Cordatus and the 488 paragraphs of Lauterbach are translated and incorporated. Twenty-four bits from *Khumer* (*i. e.* the material printed in Lauterbach's *Tagebuch* by Seidemann) are also used. The Bible quotations have been improved by reference to that book. Sayings which are separated in Walch are joined, and others which are wrongly joined are separated.

The order in Walch has been maintained, *i. e.* the topical order of Aurifaber. Whenever a parallel to one of his sayings has been found in the sources, the account is corrected in accordance with the sources or their account substituted. The parallels so treated form but a small part (perhaps one-tenth) of the whole edition; all sayings which have no parallels are reprinted exactly as before, except the duplicates which are taken out. A large number of sayings in Lauterbach and Cordatus which have no parallels in Walch are printed in Appendices.¹

The result is disappointing. This is partly because the edition came out before the other sources were known, partly from too great conservatism of treatment. The bulk of the work is the same, after all, as that in Walch. The material from Cordatus and Lauterbach is thrown in promiscuously in the old order, which makes it less accessible and less valuable than in the original form. The estimate of Cordatus by Wrampelmeyer is taken at its face value, and most of his material which we know to be value-

¹ Hoppe, *op. cit.*, Einl., *in fine*.

less is inserted as an improvement on Aurifaber. It is singular that the editor does not recognize (what he must have known) that there were other *Hauptquellen*, and that if Aurifaber is worthless when we can find a parallel to him in Lauterbach, he must have been so in other cases.

The editors of the Weimar edition¹ plan to dedicate one of their last volumes to the Table Talk, basing it on a critical study of the sources. This will certainly be the most satisfactory of all the editions; indeed, unless further sources are discovered, which is not probable, it should be definitive. Let us see what may be hoped from such an edition—a convenient way of summing up the results of our researches in the sources.

In the first place the original notes should be the only authority used, including among them the notebooks which have survived in the Mathesian collection, but excluding the collections of Lauterbach and Aurifaber as too unreliable.

The notebooks should be used with discrimination. Those of Dietrich, Schlaginhaufen, Lauterbach, and Mathesius, are *prima facie* reliable; the others should be used rather as checks on these and as helps in textual criticism than for their own independent value, which is slight.

The MSS. should all be carefully collated, in order to get the best text. To do this all parallels must be noted, both for the sake of the text and for the dates which are indispensable to a really scientific edition. Parallels must,

¹ Professor Drescher, of Breslau, the editor of the Weimar edition, has kindly informed me, through the publishing house of Hermann Böhlaus Nachfolger, that the last volume is to be assigned to the *Tischreden*, which will come next after the letters, on which work has already been begun.

of course, be carefully divided into true, apparent, and derived, and treated accordingly.¹

The chronological order should be preserved. The topical was more useful to those whose first purpose was an exposition of doctrine or an authoritative statement in some problem of theology, but for the scientific historian, as well as for the ordinary reader to-day, the chronological order is readily seen to be the best. The source of each saying should be indicated.

An edition on this plan would have a real use. It would save the scholar going to a number of sources and reading over much of material which is often repetitious. By getting it all together it would throw a much stronger light on the development of Luther's life and thought than the fragmentary sources do.

Let us see how much time we can expect to be fairly covered by the original notes.

1531-1533. The notes of Schlaginhaufen can be dated with considerable accuracy, and run from November, 1531 to September, 1532. The notes of Dietrich, which he dates on his title-page 1529-1535 really fall, with very few exceptions between November, 1531 and October, 1533. Their order has been restored and their chronology established by Preger.²

1536-1537. Notes of Lauterbach and Weller in 6th section of Mathesius. Fuller parallels and supplementary material found in the MS. known as *Colloquia Serotina*.

1538. Lauterbach's *Tagebuch*, edited by Seidemann.

¹ True parallels being those in which two or more reporters took down the same saying; *apparent* parallels those in which the similarity is due to Luther's having repeated the same story more than once; and *derived* parallels those which are due to copying.

² Preger, *op. cit.*, Einl., p. xxi *et seq.* See *supra*, p. 42.

1539. Copies from Lauterbach's *Tagebuch* in 5th section of Mathesius.

1540. Notes of Mathesius in his collection. 1st section of Kroker's edition.

1542-1543. Notes of Heydenreich in 2d section of Mathesius.

1544. Notes of Besold in 3d section of Mathesius.

We must notice that the sources given above show different degrees of accuracy in dating. Lauterbach's *Tagebuch of 1538* gives the day on which everything was said; in other cases our work has to proceed from internal evidence, which gives sometimes the exact date, often only an approximate date. *E. g.* we can say that no. 377 in Schlaginhaufen was said May 31, 1532, but we can only say that nos. 378-548 fell between June and September of that year. By a sort of system of interpolation we can get the date more nearly; the chances are that a number at the beginning of this series fell in June, one in the middle in July or August, and one near the end in September. These dates are sufficiently accurate to give the basis of a chronological order of *Tischreden*. They will become more and more accurate as more is found out about Luther's life, and as parallels from other notebooks, and circumstances gathered from the letters and other documents are compared with them.

Secondly, we must observe that quite a number of notes can be found outside of these years and the sources indicated for them which will partly supply the lacunae. Some of those in Cordatus can be dated; a few other dates are given in Dietrich, others in the fourth section of the Mathesian collection. Great caution should be used in the insertion of such notes; isolated sayings in an unchronological source should not be given the same weight as those which have, so to speak, a strong presumptive case from the fact

that they stand in a source which arranges its notes chronologically. Still, with care, many notes can be rescued from the sources which will partly fill up the blank spaces.

For the early thirties Dietrich, Schlaginhaufen and Cordatus are the sources. By collation of the three much may be gained. We often find little groups of chronologically ordered sayings which supply and complement each other. What cannot be got into chronological order should be put into an appendix labelled, Sayings prior to 1537 from Cordatus, Dietrich and Schlaginhaufen.¹

The notes from 1536-1540 can be dated with great accuracy, and leave little to be desired. They are also full.

It is for the last years of Luther's life that the chronology of the notes is hardest to determine. Those of Heydenreich are rather uncertain, sparse, and known only in a copy. Those of Plato are altogether unreliable, being mainly extracts from others. Those of Stolz and Auri-faber have become irrecoverably lost in the collection of the latter. Those sayings which cannot be dated must be relegated to an appendix. The smaller their number is the nearer will the edition reach the desired goal.

Such an edition would do away with the doubt and hesitation with which we now have to read the Table Talk. Any one who has carefully examined the best sources will surely feel that we must give them the same degree of confidence at least that we give to Luther's sermons; and in a source of Luther's life so rich in material, such an increase in certainty will be an immense gain.

The source of each saying should be indicated, as a means of judging of its worth. In summing up we may say that the greatest faith can be placed in Lauterbach, Dietrich and Schlaginhaufen, and only a little less in Mathesius,

¹ Cf. Kroker, *op. cit.*, p. 63.

Besold and Heydenreich. Cordatus, Weller and Plato are untrustworthy, but with discrimination much of value may be abstracted from them. The collections of Lauterbach and Aurifaber are practically useless. The more we compare them with the originals, the deeper they sink in our estimation. But a complete edition would have to take from them all that could not be found in better form somewhere else, printing it as so much new material, inferior in value to the sources, but not negligible.¹

¹ Cf. Kroker, *op. cit.*, pp. 64, 65; Meyer, *loc. cit.*, p. 36.

CHAPTER VII

THE TRANSLATIONS

THERE have been two principal translations of the *Tischreden* into English, and a number of minor ones. The first,¹ made by Captain Henry Bell, was printed at London in 1652. The Translator's Preface is interesting. It begins:

I, Captain Henry Bell, do hereby declare, both to the present age and also to posterity, that being employed beyond the seas in state affairs years together, both by King James and also by the late King Charles, in Germany, I did hear and understand, in all places, great bewailing and lamentation made, by reason of the destroying and burning above fourscore thousand of Martin Luther's books, entitled, *His Last Divine Discourses*...

This book did so forward the Reformation, that the Pope then living, *viz.*, Gregory XIII, understanding what great hurt

¹ *Colloquia Mensalia; or, Familiar Discourses of Dr. Martin Luther, at his Table, which in his Lifetime he held with divers Learned Men, such as were Philip Melanchthon, Casparus Cruciger, Justus Jonas, Paulus Eberus, Vitus Dietericus, Johannes Bugenhagen, Johannes Forsterus, and Others. Containing Questions and Answers Touching Religion and other main points of Doctrine; as also Many Notable Histories, and all sorts of Learning, Comforts, Advices, Prophecies, Admonitions, Directions, Instructions, Collected first together by Dr. Antonius Lauterbach, and afterwards disposed into certain Commonplaces by Dr. John Aurifaber, D. D.* This title is followed by six quotations as to the utility of *sacra ad mensam*. A very learned "Epistle Dedicatorie to the Right Honorable John Kendrick, Lord Major, The Right Worshipful the Sheriffs and Aldermen, the Common Council, and other Worthie Senators and Citizens of the famous Citie of London," signed by Thomas Thorowgood, is then inserted.

and prejudice he and his popish religion had already received, by reason of the said Luther's Divine Discourses, and also fearing the same might bring further contempt and mischief upon himself, and upon the Popish Church, he, therefore, to prevent the same, did fiercely stir up and instigate the Emperor then in being, *vis.*, Rudolphus II, to make an edict throughout the whole Empire, that all the aforesaid printed books should be burnt. which edict was speedily put into execution accordingly.

It pleased God, however, that in 1626 one of Bell's German friends should find one of the aforesaid printed books in a deep obscure hole, and being afraid to keep it, because Ferdinand II was a severe persecutor of the Protestant Religion, and at the same time calling to mind that Bell "had the High Dutch Tongue very perfect," sent it to him to translate into English.

Bell was warned by a vision that he should translate it, and shortly after he was committed to the Keeper of Gate-House, Westminster, on a warrant which was not shown him, and kept there in prison ten whole years, the first five of which he spent translating the book.

"Then after I had finished the said translation in prison, the late archbishop of Canterbury, Dr. Laud, understanding that I had translated such a book, called Martin Luther's Divine Discourses, sent unto me his chaplain Dr. Bray" to request the perusal of the book. After some demur Bell sent the book which Laud kept two years and then returned under fear that the Commons would call him to account.

And presently, when I was set at liberty by warrant from the whole house of Lords, according to his majesty's direction in that behalf; but shortly afterwards the archbishop fell into his troubles, and was by the parliament sent unto the Tower, and afterwards beheaded. Insomuch that I could never since hear anything touching the printing of my book.

The House of Commons having then notice that I had translated the aforesaid book, they sent for me, and did appoint a committee to see it, and the translation, and diligently to enquire whether the translation did agree with the original or no; whereupon they desired me to bring the same before them, sitting then in the Treasury Chamber. And Sir Edward Dearing being chairman, said unto me, that he was acquainted with a learned minister beneficed in Essex, who had lived long in England, but was born in High Germany, in the Palatinate, named Mr. Paul Amiraute, whom the committee sending for, desired him to take both the original and translation into his custody, and diligently to compare them together, and to make report unto the said committee whether he found that I had rightly and truly translated it according to the original; which report he made accordingly, and they being satisfied therein, referred it to two of the assembly, Mr. Charles Herle and Mr. Edward Corbet, desiring them diligently to peruse the same, and to make report unto them if they thought it fitting to be printed and published.

Whereupon they made report, dated the 10th of November, 1646, that they found it to be an excellent divine work, worthy the light and publishing, especially in regard that Luther, in the said Discourses, did revoke his opinion, which he formerly held, touching Consubstantiation in the Sacrament. Whereupon the House of Commons, the 24th of February, 1646, did give order for the printing thereof.

Given under my hand the third day of July, 1650.

HENRY BELL.

This account is such a tissue of mistakes and improbabilities that it is hardly worth serious criticism. It is clear both from the absence of all other evidence, and the large number of early editions of Luther's *Tischreden* which have come down to us, that no such order was ever issued by Rudolph II as that which Bell describes. The ten years' arbitrary imprisonment is so improbable that it may

be dismissed.¹ The whole thing has the air of being invented to heighten the interest of the translation; even the vision of the old man does not seem to be a genuine bit of self-deception.

The introduction is followed by the Report of the Committee of the House of Commons, which gives an interesting

Testimonie and Judgment: Wee finde many excellent divine things are contained in the Book worthie the light and publick view. Amongst which, Luther professeth that he acknowledgeth his error which hee formerly held touching the real presence *corporaliter in Coena Domini*.

But wee finde withal many impertinent things: som things which will require a grain or two of Salt, and som things which will require a Marginal note or a Preface.

A "Marginal note" is herewith added by the Committee:

And no marvel, that among so much serious discourse in matters of religion, sometimes at Table som impertinent things might intermix themselves and som things *liberius dicta* to recreate and refresh the Companie.

Then comes the order of the Commons to print it, and then a short extract from Aurifaber called "Testimonie of

¹ Arbitrary imprisonment was resorted to at this time, but only in important political cases, such as those of Pym and Eliot. It is possible that Bell may have been really imprisoned for some cause he prefers not to mention. Hazlitt says in a note that the cause was that he pressed for the payment of arrears in his salary, an explanation for which he gives no authority.

This Preface worried Walch (*op. cit.*, vol. xxii, Einl., pp. 17, 18) a good deal. He had not seen the original, but quotes from a partial translation of J. Beaumont, whose interest in it was due to the supernatural phenomenon recounted. (*Tractat von Geistern, Erscheinungen, &c.*, iii, 73.)

Aurifaber in his Preface to his Book" and notes from "W.D.", "J.L." and "J.D.". Then Aurifaber's preface, dated 1569, in full.

The same Eighty Chapters are here as in Aurifaber, but the order is somewhat changed. The XIXth Caption is changed from "Vom Sacrament des Alters des waren Leibs und Bluts Christi" to "Of the sacrament of the Lord's Supper."

There is an appendix of Luther's Prophecies. The Imprimatur, at the end, is dated August, 1650, signed by John Downame.

Comparison shows that this was translated from one of Aurifaber's editions; it is nearest like that of 1571 (See Appendix p. 121).¹ The translation is not complete, a very rough guess would be that two-thirds of the original was translated. The omissions were made with the purpose of pleasing the theologians of that day and place. Much of the chapter on The Sacrament is omitted, but I can find nothing in it to justify the Committee's opinion that Luther retracted his former error on this point.²

This translation was reprinted 1791 with "The Life and Character of Dr. Martin Luther: by John Gottlieb Burckhardt, D. D., minister of the German Lutheran Congregation at the Savoy, in London" prefixed. In this edition, between pages iv and v of Bell's narrative there is a "Picture of Popery" by John Ryland in four pages. It is in the good old-fashioned style of invective. In this

¹ Points of resemblance are: Mention of Lauterbach's and Aurifaber's name on titlepage; date of preface 1569; Prophecies at the end, and others less striking.

² Bell himself implies the Committee had *told him* that Luther had retracted on this point. Walch, *op. cit.*, vol. xxii, p. 18, speaks of the charge and indignantly denies it.

edition the chapter on Witchcraft was left out, as well as the Report of the Committee of the Commons, and the Dedicatory Epistle and Testimonies. This translation was reprinted again in 1818.

Another partial translation, *Choice Fragments from the Discourses of Luther*, was published in 1832. The translator, who does not give his name, was a zealous Protestant and a decorous, conventional Englishman. He suppressed with the greatest care whatever really showed the free, joyous and somewhat coarse character of Luther, and in his translation we see him transformed into an English clergyman with an unctuous regard for the proprieties, polished, well brought up, grave and formal in his conversation.¹

The *Tischreden* were translated a third time by William Hazlitt, son of the celebrated essayist, in 1848. The preface is taken half from Bell's narrative, which is quoted without comment in an abridged form, and half from the preface to Brunet's French translation, adding to the errors of the sources several of the author's own. He does not acknowledge his indebtedness to Brunet, but follows him in calling "Selneccer" "Selneuer" and in giving Stangwald's edition of 1591 as of 1590. From Brunet he quotes Fabricius, *Centifolium Lutheranium*, as though he had seen the book himself. From Brunet he gets the anecdote of Luther's throwing the gruel into his disciple's face, but he adds without any authority whatever that it was "told by Luther himself to Dr. Zingreff" (who was born

¹ This translation is in the Lenox Library. My characterization is taken from Brunet, *Propos de Table*, Introduction, p. 18: "Il a supprimé avec le plus grand soin tout ce qui montre dans son intérieur le père de la réforme; il a voulu le peindre en beau; il en fait un prébendier anglicain, poli, bien élevé, à la parole grave," etc.

half a century after Luther's death).¹ A translation of Aurifaber's preface is given, but only a selection of the *Tischreden*, embracing perhaps a fourth of the material found in Aurifaber. The style of the English is excellent, colloquial and yet smooth. It seems to have been made from the German (though Hazlitt tells us he had compared the translations of Michelet with his own) and is sufficiently accurate.²

This work has reappeared a number of times. Others of minor importance have been made, among which may be mentioned a number of books either translated from Michelet's *Vie de Martin Luther par lui-même* or closely modelled on it. Hazlitt Englished this work, others pub-

¹ Hazlitt, *Luther's Table Talk*, Introduction, p. 10 (ed. of 1848): "An anecdote told by Luther himself to Dr. Zinggreff, amusingly illustrates the assiduity of these German Boswells. During a colloquy, in which Dominus Martinus was exhibiting his wonted energy and vivacity, he observed a disciple hard at work with pencil and paper. The Doctor, slyly filling his huge wooden spoon with the gruel he was discussing by way of supper, rose, and going to the absorbed note-taker, threw the gruel in his face, and said, laughing lustily: 'Put that down too!'" Hazlitt gives no authority for this story, which he probably took from a footnote in Brunet's Introduction, but I have found it in Dr. J. W. Zinggreff's *Teutscher Nation Apophthegmata*, p. 252, where it is in the following form: "Als er [*sc.* Luther] eines jungen Studenten eines rechten Speichelleckers beym Tisch gewahr wurde, dir hinder ihm stund und alles was er redte ohn verstand oder unterschied in seine Schreibtafel aufgezeichnete, verdrosse ihm sehr, liess mit Fleiss einen grueltzen drüber und Sagte: 'Schreib diesen auch auf!'" Zinggreff gives no authority. I have not been able to find the story in the *Tischreden* or any of Luther's works, and it has no intrinsic probability. We have no other instance of Luther indulging in a practical joke. The story is quoted literally and without remark by Brunet. It is Hazlitt who is responsible for the addition that Luther himself told it to Zinggreff, which is impossible, as the latter was born in 1591. Besides noticing the lack of critical discernment, it is interesting to see how the anecdote grew in Hazlitt's translation.

² In his translation of Michelet's book referred to just below, he says he compared Bell's, Michelet's, Audin's, and his own.

lished books with the same title either with or without acknowledgment of the source.¹

A considerable number of Luther's sayings are translated into French by the celebrated historian Jules Michelet in a book entitled *Mémoires de Luther écrits par lui-même*; traduits et mis en ordre par M. Michelet Paris, 1835. The author's preface testifies to his admiration of the reformer, although he is not a Protestant. The work consists of extracts from Luther's writings and Table Talk *passim*. Bk., IV, however, consists entirely of extracts from the Table Talk, to illustrate Luther's family life, and opinions about marriage, children, nature and the Bible, the Fathers, schoolmen, Pope, councils, universities, arts, music and preaching. The chapter ends with Luther's admission of his own violence and a rather feeble translation of the passage in which Luther says he must have patience with the Pope and Käthe. The appendix (p. xci) describes Aurifaber's edition of the *Tischreden*.²

The first (and perhaps the only) attempt to translate a considerable portion of the *Tischreden* into French in a volume by themselves, was made by Gustave Brunet: *Les Propos de Table de Martin Luther, revus sur les éditions originales et traduites pour la première fois en français*. Paris, 1844. The introduction is bright, but uncritical. After an eloquent appreciation of the value of the Table Talk and an apology for its occasional coarseness, the author tells us how the sayings were collected, repeating the

¹ Full list of these in Appendix.

² From which we may infer that it was used. Other *Tischreden* appeared in French in J. M. V. Audin: *Histoire de la vie, des ouvrages et des doctrines de Luther*, 1839. These are spoken of by Hazlitt (*supra*, note 1). Audin was a Catholic historian. The work is in the Astor Library.

anecdote of Zinggreff, but without any reference except the name. A short account of the work of Michelet and Audin is followed by an equally brief description of the German editions, in which the same mistakes are made as were made four years later by Hazlitt, who probably copied from him. Selneccer appears as Selneuer, the edition of 1591 appears as 1590, and the first volume of Rebenstock is assigned to 1558, an error not corrected in any account until Bindseil's *Colloquia* appeared, in 1863. An account is given of the English translation of Bell, and of that of 1832.

The translator claims to have compared the editions and to have selected the best text. He changed the order of the other editions entirely, writing solely from the point of view of interest. His principle of selection is the opposite of that of Hazlitt, the more spicy a thing is the more relish it has for him. His copious notes make the work more readable. He begins with a chapter on "Le diable, les sorcières, les incubes &c." This is followed by one entitled "Contes, apologues et joyeux devis." The worst of these he inserts in the notes in Latin, remarking "qu'ils ont tout l'air d'une page des facéties de Pogge ou des nouvelles de Morlino." Next to the "petits contes polissons" the author likes best those in which Luther talked about his enemies, or showed himself the victim of some superstition.

CHAPTER VIII

THE TABLE TALK IN LITERATURE

THE period of the Reformation in Germany was one of great literary as well as great spiritual activity. Not since the efflorescence of lyric and epic poetry in the thirteenth century, nor again until the latter part of the eighteenth, do we find anything equal in quantity and power to the literary output of this great age. True, no world poet appeared who contends the palm with Goethe and Schiller or even with Gottfried von Strassburg and Walther von der Vogelweide: "the Aristophanic age produced no Aristophanes,"¹ but nevertheless the literature of the Reformation is full of significance, vitality and charm.

The characteristics of the time were intense nationalism, strong religious feeling, and a powerful appeal to the common man, in fact intensity in all forms, which often showed itself in bitter satire and mocking laughter. The title of Pauli's farcical stories, *Schimpf und Ernst*—mocking jest and earnest mingled, might well be the motto of the age. Here, as in the tales of Claus Narr, the romances, the plays, many of them, of Hans Sachs, and the fable of *Reinecke Fuchs* and those attributed to Aesop, we see the appeal to the peasant, the common man, over against the old aristocracy. Sometimes the appeal was not to the peasant's best side—the adventures of Till Eulenspiegel show how a clever

¹ Scherer, *Geschichte d. deut. Literatur*.

scamp outwits his superiors, and the apotheosis of coarseness in St. Grobianus, a character invented by Brandt in his famous satire the *Ship of Fools*, was typical of the least pleasant side of the exuberant vitality which made itself manifest everywhere.¹

The fiery dialogues of Hutton, as well as the appeals of Luther and a host of less famous men, show how deeply rooted was the nationalism which rebelled against the crafty domination of foreigners; but deepest and loudest of all was the cry for a purer religion and a more vital faith. The satirization of the clergy had been common since the time of Walther von der Vogelweide at least, but the number and bitterness of these satires increased in the sixteenth century. The polished wit of Erasmus supplied to the upper class who could appreciate his Latin style what the *Litterae Obscurorum Virorum* of Rubianus and his collaborators gave to the students, and such popular *Pasquille* as *Die Krankheit der Messe* and *Der Curtisan und Pfründen-fresser* furnished to those who could read only German.

Of this wonderful time Luther was the heart and soul. How tremendous was the place he filled in the hearts of his countrymen may be seen by the popularity of his works, as well as by the frequency of literary allusion to him. The press was full of such little pamphlets as *Luther's Passion*, and even the plays were deeply influenced by his teaching.² None of Luther's works was more popular than his Table Talk, published, as we have seen, by Aurifaber, in 1566. Before the century was over no less than twelve

¹ Dedekind, in 1549, wrote a poem on St. Grobianus, who is always appearing elsewhere. The same spirit is seen in Fischer's translation of Rabelais.

² Very many such pamphlets are reproduced in O. Schade's *Satiren und Pasquille aus der Reformationzeit*. For the influence on the drama, see below on the Franckfurt *Faust*.

editions were called for in German, besides the Latin translation.¹

The cause of their popularity is not hard to discover. In reading them we have the concentrated spirit of the sixteenth century, the love of anecdote and satire, the popular note, the strong national and religious feeling, and even the flavor of "grobianism" which nothing escaped. Besides all this, there is the personal interest, which is perhaps the chief one to-day, and was not less powerful then; the same sort of interest which will always make Eckermann's *Gespräche mit Goethe*, or Bourienne's *Mémoires* of Napoleon widely read. We see the great man's daily life and intimate thoughts portrayed with a frankness and unreserve which are refreshing.

In reading the Table Talk we are constantly reminded of the dialogues and satires so common and so popular at that time. Occasional allusions to Grobianus, the frequent appearance of stories about animals, and the perpetual invective against Rome and the clergy,—all these are revelations of the *Zeitgeist* which appears in all the literary productions of the time.² Luther, however, not only borrowed much from his contemporaries, but greatly enriched their speech in return. Even his casual utterances often impressed themselves on the speech of his countrymen, and attained a proverbial currency. Such sayings as:

¹ See Appendix for these editions. The popularity of the work seems to have borne some relation to the general literary activity of the country; there were only four editions in the seventeenth century, two in the eighteenth, and more than nine in the nineteenth, not counting five editions of sources.

² For Grobianus, cf. Wrampelmeyer, *op. cit.*, no. 1738. Cf. Luther's animal fables, e. g., Seidemann, *op. cit.*, p. 114, *et saepe*, with such satires as, "Ein Gespräch eines Fuchs und Wolfs," in Schade, *op. cit.*, vol. ii, no. iii. Cf. also *ibid.*, vol. i, no. i: "Ein Clag und Bitt der deutschen Nation," with such of Luther's sayings as Seidemann, *op. cit.*, p. 10.

Frühe aufstehen und jung freien
Soll niemand's gereuen,¹

and

Wer will haben rein sein haus
Der behalt Pfaffen und Mönche draus,²

are good examples. Some sayings found in his conversation have been such as he disapproved and refuted, though even thus they took a lasting form in the way he quoted them. Such, for example is the:

Bleibe gern allein,
So bleiben euer Herzen rein.³

Perhaps the most famous of his authentic sayings is one which is thoroughly characteristic of the apostle of marriage and the domestic virtues as against the Catholic ideal of celibacy:

¹ Xanthippus: "Gute alte deutsche Sprüche," in *Preussische Jahrbücher*, vol. 85 (July to Sept., 1896), three articles, pp. 149, 344, and 503 respectively. This saying is on p. 351, quoted from Förstemann-Bindseil, *op. cit.*, vol. iv, p. 41.

² *Ibid.*, p. 363, quoting Förstemann-Bindseil, *op. cit.*, vol. ii, p. 407.

³ *Ibid.*, p. 151, quoting Förstemann-Bindseil, *op. cit.*, vol. iii, p. 164. Other examples are given elsewhere, *e. g.*, p. 505. Zinggreff, in his *Teutscher Nation Apophthegmata*, gives some proverbs of Luther, which appear to be mainly apocryphal. Like other great men, Luther had sayings fathered upon him which were not genuine. Such is the celebrated

"Wer liebt nicht Wein, Weiß und Gesang,
Der bleibt ein Narr sein Lebenslang."

It is not found in any of Luther's works, nor in the *Table Talk*, and was first printed, as far as known, in 1775, in *Wandsbecker Boten*. Cf. Köstlin, *op. cit.*, vol. ii, p. 678, note to p. 507. The verse has just enough of Luther's spirit to make it a good caricature.

Nicht liebers auf Erden
Denn Frawenlieb wems kann werden.¹

A still profounder influence is seen in the coloring taken from the *Tischreden* by the *Faust* written anonymously and produced at Frankfurt in 1587. This, of course, is doubly interesting as bringing the work into a direct relation with the greatest masterpiece of German literature. In this play Mephistopheles "takes many sententious rimes from Brandt's *Narrenschiff* and Luther's *Tischreden*."² The author makes Faust's fall from grace an apostasy from the Wittenberg theology, and his repentance is taken from expressions of Luther's in the Table Talk.

The brilliant literary promise of the sixteenth century was sadly disappointed in the seventeenth and early eighteenth. It really seemed as if the Thirty Years' War had blasted all the artistic powers which were so strongly developed before it. The nation looked to France for its literature and canons of taste, and the Table Talk fell into the obscurity which most German works shared in this period. Something of a revival is seen in the renewed in-

¹ Förstemann-Bindseil, *op. cit.*, vol. iv, pp. 75, Xanthippus, *loc. cit.*, p. 346. The enemies of Luther have twisted this into a confession of sensuality. The same idea of Luther as an apostle of the joys of the flesh is exhibited by one who was no enemy of his, the once celebrated Philarète Chasle, in an article called "La Renaissance Sensuelle," in *Revue des Deux Mondes*, March, 1842, where he compares him to Rabelais, Skelton and Folengo.

² Schmidt: "Faust und Luther," in *Sitzungsberichte d. k. Preuss. Akad. d. Wiss.* The author collects a large number of parallel passages which show how much *Faust* was influenced by the *Tischreden*. Minor points are that the devil appears to Faust as he had to Luther; Helena is modelled on Luther's idea of a *succubus*; Faust's impression of Rome is taken from Luther's words on the same, and also his estimate of the "frankly swinish" life of the Turks. See especially pp. 568, 571.

terest taken in it in the nineteenth century, not only in Germany¹ but in other countries as well.²

We have spoken of those qualities of the *Tischreden* which are due to its environment and make it interesting as a typical product of the age; let us now turn to some of its individual peculiarities.

In the first place the Table Talk is not a literary work, in the narrow sense of that term, at all. In an age of roughness and bad literary form it has not even the polish of Luther's written works, or of the dialogues or plays with which we have been comparing it. The first thing which strikes us on opening one of the sources (not Aurifaber) is the mixture of languages spoken by the company. Latin and German are so easily interchangeable that a sentence is often begun in one and ended in the other. "Christus is unzuverstehen, quia est deus";³ "Mein ganz Leben ist eitel patientia."⁴ It is almost superfluous to give examples of so common a phenomenon.

The reason of this was simply that both languages were

¹ An unfavorable estimate of the Table Talk, together with the idea that it had a strong influence in fixing the German bürger type, is found in Lavisé & Rambaud, *Histoire Générale*, iv, p. 423. The number of editions (see *supra*, p. 69, n. 2) shows their popularity.

² For translations, see Appendix. Brunet (*Propos de Table*, Introduction) says that Bayle commented on them. See Hereford, *Literary Relations of England and Germany in the Sixteenth Century*.

³ Preger, *op. cit.*, no. 301.

⁴ Bindseil, *Colloquia*, vol. iii, p. 167. That this was their ordinary method of talking can be seen not only from the Table Talk, but from the testimony of Jonas, who tells us (Letter of July 6, 1537, quoted by Meyer, *loc. cit.*, p. 4) that he found Luther sick in bed "nunc Deum Patrem nunc Christum Dominum, nunc Latine nunc Germanice invocantem." This mixture, which we call *macaronic*, and the Germans *messingisch* (Kroker, *op. cit.*, p. 5), would have appeared less strange even in a literary work at that time. Among numerous examples of it I will cite only the well-known *Carmina Burana*.

equally familiar, and the attempt to discover any other reason is unnecessary. Wrampelmeyer¹ is led by his patriotism to the discovery that German is the language used to express the main thought, an idea which seems to me fanciful. Lösche thinks Latin was used largely to spare the women's ears what they should not hear.² This is a nineteenth-century idea, which would be entirely alien to the sixteenth. The precaution would have been useless, for Käthe, at least, knew enough Latin to keep up with the conversation.³ Then again Luther took no pains to avoid remarks to or about her which shock our fastidious decorum, though they certainly would not have appeared objectionable to the most cultivated taste of Luther's time.⁴

In general the students put down the sayings in the language in which they were uttered, as would usually be the easier thing to do, but sometimes they translated a German remark into Latin which they could write faster. For the same reason they would put all their own remarks in that tongue, and all matter supplied by them, such as details of time, place, and occasion. One instance in which they clearly translated Luther's remarks is that in which he is represented as consoling his poor old dying Muhme Lehna in the learned tongue which must have been unfamiliar to her.⁵ Sometimes Greek⁶ and even Hebrew are introduced,

¹ Wrampelmeyer, *op. cit.*, Einl., p. 34.

² Lösche, *Analecta*, Einl., p. 3.

³ Kroker, *op. cit.*, no. 3.

⁴ E. g., Wrampelmeyer, *op. cit.*, no. 1597; Preger, *op. cit.*, no. 419.

⁵ Bindseil, *op. cit.*, vol. iii, p. 217. Cf. *ibid.*, p. 213, where he consoles Cranach in the same tongue.

⁶ Kroker, *op. cit.*, no. 3. An example of the use of Hebrew is found in the introduction of the word *Scheffimini* (*Shebh l'mini*, quoted from Psalm cx. 1) in Kroker, *op. cit.*, no. 242 (and thence taken into Aurifaber, Förstemann-Bindseil, *op. cit.*, vol. i, p. 322) without any indication, to the layman, of its meaning or language. I am indebted to my father's knowledge of Hebrew for its translation: "Sit thou on my right hand!"

though only by way of short quotations. One of these was made apparently to tease Kätke, who goodhumoredly responded: "Good Heavens! Who said that?" The striking similarity of the Greek and German speech was pointed out by the reformer, who proved it by such examples as the cognate words *ὑπέρ*, *μετά* and *σύν*, and *über*, *mitt* and *samt*, and the augment as seen in *γέγραφα* and *geschrieben*.¹

Luther's colloquial German is very racy, with marked dialectical and conversational peculiarities. He evidently took no such care in his oral as he did in his written language to adopt the purest idiom. All this, as well as the frequent anacoluthon and solecism found in the original notes is smoothed off and standardized, so to speak, in the collection of Aurifaber.²

It is perhaps partly because of the lack of literary form in the Table Talk that we get such a perfect picture of Luther in it. Here we see him in all the simplicity and naïveté of his large-hearted German nature. "God has commanded us" he says, "that we should be simple, open, and true."³ When Kätke was ill God made her well again, he who always gives what is best for his children and more than they can ask.⁴ How fresh is this picture:

On the Sunday after St. Michael's day he was happy in mind, and joked with his friends and with me (Mathesius), and disparaged his own learning: "I am a fool," said he, "and you are cunning and wiser than I in economy and politics. For I do not apply myself to such things, but only to the Church and to getting the best of the Devil. I believe, however, if I did give myself to other sorts of business I could master them. But as I attend only to what is plain to view,

¹ Seidemann, *op. cit.*, p. 30.

² See Opitz, *Luthers Sprache*.

³ Kroker, *op. cit.*, no. 48.

⁴ *Ibid.*, no. 28. See also Preger, *op. cit.*, no. 6.

any one can get the better of me, until, indeed, I see he is a thief, and then he can't cheat me."¹

Luther is as frank as he is simple; there is nothing in his own life, no opinion of men or books,² no recess of religious feeling which he is not willing to talk about. His Table Talk outdoes Rousseau in frankness, though it must always be remembered that Luther would never have thought of publishing the details of his life which Rousseau made the materials of his confessions. One passage, which also casts an interesting sidelight on Luther's marriage, is too good not to be quoted.

He spoke as follows [in 1538] of his own marriage: Had I wished to marry fourteen years ago I should have chosen the wife of Basilius, Anna of Schonfeld. I never loved my own wife, but suspected her of being proud, as she is; but God willed that I should show mercy to the poor fugitive, and by his grace it turned out that my marriage was most happy.³

This must not be taken to indicate that Luther did not love

¹ "Sontag post Michaelis ex animo laetus erat et jocabatur cum amicis et mecum et extenuabat suam eruditionem: 'Ich bin alber, saget er, und ir seit ein schalck und gelerter als ich in rebus oeconomicis et politicis. Denn ich nim mich der sachen nicht an und hab mit der ecclesia zu schaffen, und muss dem Teuffel auf die schantze sehen. [See Grimm, *Deutsches Wörterbuch*, vol. viii, p. 2164.] Das glaub ich, wenn ich mich auf die andern hendeln gebe, ich wolts auch mercken. Ich glaub eim itzlichen, drumb kan man mich wol bescheissen; alsbaldt ich mich aber fur einem fürsehe, der nimpt mir nichts.'" Kroker, *op. cit.*, no. 430.

² His free criticism of the Bible is well known. See *e. g.*, a liberal opinion of Ezekiel in Preger, *op. cit.*, no. 37.

³ Khumer, p. 381, quoted by Seidemann, *op. cit.*, p. 162, note. A confused account of the same is given in Bindseil, *op. cit.*, ii, 338. Köstlin (*op. cit.*, vol. i, p. 762) quotes from Bindseil, and hence gets the wrong account, giving the name "*Ave*" instead of "*Anna*."

his wife after their marriage; the Table Talk is full of instances of exemplary conjugal devotion and he told Dietrich he would not change Kâthe for France and Venice.¹

Sometimes this simplicity shows itself in a sort of naïveté and lack of the critical point of view.

I would give the world [he says] to have the stories of the antediluvian patriarchs also, so that we could see how they lived, preached, and suffered. . . . I have taught and suffered too, but only fifteen, or twenty, or thirty years; they lived seven or eight hundred or more, and how they must have suffered!²

His way of regarding the French mode of address is hardly more sophisticated.

The question was mooted whether it was a sin to curse a Frenchman. For they themselves have the custom of greeting their dearest friends with a curse, as "Pest and pox take you, sir!" Was it, then, a sin when the mind was free from hatred? He replied: "Our speech should be Yea and Nay, and the name of the Lord is not to be taken in vain. But it may be that their curses are more innocent than many a good-morning with us."³

In oral discourse the Reformer showed a marked predilection for the sententious style. Apophthegm and anecdote abound in the Colloquies. Many of those good stories current with us, whose origin is lost in the dimness of antiquity, appear in some form or other. The anecdote of the emperor who considered himself superior by his official position to the rules of grammar, last used to attack President

¹ Dietrich, Dec. 3, 1534. Quoted Köstlin, *op. cit.*, vol. ii, p. 497.

² Bindseil, *op. cit.*, vol. i, p. 82.

³ Seidemann, *op. cit.*, p. 85.

Roosevelt's spelling reform, is related by Luther and attributed to Sigismund.¹ Another story, current before his time, and taken from him by Browning is that of the two brothers *Date* and *Dabitur vobis*.²

One of the pleasantest qualities of the Table Talk is the humor which is constantly appearing. Unfortunately most of the witticisms have been eliminated from the later collections, with their serious purpose of edification, and can only be read in the sources. Luther was naturally of a joyous disposition, "*ein hurtiger und fröhlicher junger Gesell*," as Mathesius calls him.³ Much of the exuberance of his high spirits, which had been crushed out in his youth by physical and mental suffering appeared fully in his later life.

Joy and good humor with reverence and moderation is the best medicine for a young man—yea, for all men. I, who have passed my life with mourning and a sad face, now seek and accept joy wherever I can find it.⁴

His jokes were never "practical" or rough, but they were often personal, as when he compares Pommer's preaching to an underdone meal.⁵ He loved to poke good-humored fun at Käthe, who took it well and showed by her quick wit in repartee she did not get the worst of it.⁶ Her loquacity, real or imagined, was the subject of occasional

¹ Bindseil, *op. cit.*, vol. i, p. 154.

² Kroker, *op. cit.*, no. 452. Browning: "The Twins."

³ E. Rolfs: "Luther's Humor ein Stuck seiner Religion," in *Prews. Jahrb.*, 1904, vol. 115, pp. 468-488. See p. 468 for this. The author writes charmingly but misses the great source of Luther's humor in quoting from his letters only. He finds Luther's humor "idyllic."

⁴ *Ibid.*, p. 487.

⁵ Kroker, *op. cit.*, no. 99.

⁶ See *supra*, p. 72, and Kroker, *op. cit.*, no. 332.

jest; one day Luther recommended her to an Englishman who wanted to learn German as his tutor because "she is so copiously eloquent that she beats me all to pieces."¹ Luther humorously recognizes that she is head of the household, comparing her to Moses and himself to Aaron.²

Jokes on religious subjects go rather further than those of a thoroughly correct reformer should. In one passage Luther facetiously compares three famous preachers of his day to the Trinity: "They are one essence and three persons, Pomer the Father, Crodel the Son, and Rörer the Holy Ghost."³

This of course is with us a matter of taste, and it is just in matters of taste that Luther shows himself the child not only of his age but of his class. Luther spoke out whether in describing the morals of the Italians,⁴ or his own ailments⁵ or in giving advice to one tempted.⁶ He spoke out too, in giving his opinions of his enemies and those of the Gospel in language which has never been surpassed and rarely equalled for invective force.⁷ These defects have been so elaborately apologized for by editor and translator that they have perhaps attained undue prominence. Whatever he was Luther was not vicious, and we never see that *polissonnerie* which is so plain in Erasmus, for example. We do not find Luther writing enthusiastically to a friend

¹ Seidemann, *op. cit.*, p. 156.

² Kroker, *op. cit.*, no. 53. An example of the same kind given by Rolffs from a letter addressed to "Meiner herzlieben Hausfrauen Kathlerin Lutherin Doctorin Zulsdorferin Säumärkterin und was sie mehr sein kann." Rolffs, *loc. cit.*, p. 483.

³ Kroker, *op. cit.*, no. 94.

⁴ Seidemann, *op. cit.*, p. 53.

⁵ With a satire on the physician. Seidemann, *op. cit.*, p. 139.

about the kisses he has enjoyed¹ or wittily toying with the vicious propensities of mankind in the style of the *Praise of Folly*. Luther was considered remarkably pure in his own age. Mathesius relates that he never heard from him one shameful word,² a judgment in which any fair-minded reader will concur; Luther was frank, but he was not prurient.

As to invective, Luther only gave as good as he got. He speaks sometimes of the revolting slanders circulated against him.³ Sometimes he showed an admirable, as well as a wise, self-restraint in this respect, as when, after reading the scurrilous attack of Cochlaeus he decided not to answer it. "I shall not answer Cochlaeus' book against me, and he will then be much angrier than if I did, for he will not get the honor he thought."⁴

¹ F. M. Nichols, *Epistles of Erasmus*, p. 203. To us, perhaps, Erasmus seems the less excusable; to the eighteenth century Luther would have been the more displeasing. Cf. Voltaire's *Lettres à son Altesse le Prince de sur Rabelais*. His strictures are certainly satirical, but we get a true note when he says "Swift is the Rabelais of gentlemen," thereby implying that the indecency of the latter (who resembled, though he far outdid, Luther in this respect) was not quite polished enough for good society.

² Mathesius, *Luther Histories*, 1570, p. 136a, quoted by Lösche, *Analecta*, p. 2.

³ Wrampelmeyer, *op. cit.*, no. 1738, etc.

⁴ Bindseil, *op. cit.*, vol. i, p. 147. The book was: *Sieben kopffe Martin Luthers von acht hohen sachen des Christlichen glaubens durch Doct. Jo. Cochleum*, 1529. In another place (Bindseil, *op. cit.*, vol. i, p. 438 *et seq.*) we have an account which seems more doubtful. It makes Luther contradict himself in consecutive sentences, due to the fact that Lauterbach here, as often, blended two accounts of the same thing. "I shall mortify Cochlaeus by silence and conquer him by contempt, for he is a mere fool, worth nothing in either scripture or dialectic; it would be a shame if I should answer his loose lies. . . . The book stinks; I am waiting to answer it until I can get time to answer

It is hardly fair to judge a man by his confidential and casual utterances. What Luther meant only for his friends' ears was bruited over Christendom as loudly as his deliberate opinions, meant for the world. He was a man of frank, open nature, much subject to the impression of the moment, often self-contradictory, careless of his own reputation. He never paused to weigh his conversation in a company as sympathetic and indulgent as he was confidential.¹ It is not fair to say, with a French writer,² that Luther talked along after dinner "*dans une demi-ivresse*" but we can readily understand that the influences of digestion and malt liquor were not always conducive to an austere observance of the proprieties. On the whole, if we judge him by his words, making allowance, as we must, for the age he lived in, and the circumstances of his education, Luther offers very little indeed whereby he can be condemned.³

¹ "No wonder some impertinent things might intermix themselves *liberius dicta* to refresh and recreate the company." *Supra*, p. 79.

² Brunet, *Propos de Table, Int.* On his drinking, see Köstlin, *op. cit.*, vol. ii, p. 506. It appears that he took too much *once*.

³ Cf. Michelet quoted by Brunet, *op. cit.*, Introduction. Also Walch, *op. cit.*, vol. xxii, Einl., p. 33, quoting Selneccker's sententious remark "that we should not let a few weeds spoil the whole garden for us."

CHAPTER IX

THE TABLE TALK IN HISTORY

THE various sources and collections of *Tischreden* are not only literary monuments but historical documents, and in this chapter we shall treat them as such, showing first what use has been made of them by historians, then discussing their authenticity and reliability, and finally pointing out by a few specimens the kind of value they possess for the student of the Protestant Revolt.

Luther's enemies have always found in the Table Talk a trenchant weapon for attacking his character and doctrines. Even in his writings Luther is neither consistent nor temperate, much more in his private conversation is he careless and unguarded. By taking every thoughtless remark to a friend literally and with no attention to the context, the occasion on which it was uttered, and the cause which evoked it, it is easy enough to entangle Luther in a hopeless mass of contradictions and to asperse his character. This was done by Catholics and humanists as soon as the *Tischreden* were published, and subsequently has been undertaken more thoroughly by more scientific though equally hostile historians.¹

Döllinger gives us a beautiful anthology of all the least considered and most infelicitous of Luther's sayings,

¹ "The gnat-like tribe of Janssenists," as Lösche (*Analecta*, Einl. *init.*) calls them, not without animus. For the humanist attack, see Walch, *op. cit.*, vol. xxii, p. 20.

whether taken from his works or from the Table Talk. If, in a moment of despondency, Luther says the preaching of the Gospel only seems to make men worse, and that the converts to the new church abuse their liberty and commit all manner of sin, *that* is taken as a serious effort to sum up the effect of the reformed teaching and as a damning indictment against it.¹ "It is a wonderful thing," says Luther again, "and a sad one (*plena offendiculo*) that as the Gospel flourishes the world becomes ever worse, for all turn spiritual liberty into license. For the reign of Satan and the Pope suits this world . . . in truth, it degenerates under the doctrine of grace."² This of course is a full proof, to the enemies of Protestantism, that the Revolt had a bad moral effect. The same is shown still more clearly in Luther's impatient denunciation of the Protestant clergy as full of "*faule, schädliche, schändliche, fleischliche Freiheit*."³

Döllinger is content with quoting Luther's sayings against himself, without putting a strained construction on them. The recently published book of Father Denifle puts an unnatural meaning on much that he said and thus attacks Luther's life and character with such perverse erudition and such an obvious lack of impartiality that it appears more like the pamphlet of a violent contemporary than a serious history. One example will suffice: *crimine ab uno disce omnes*. The Reformer's words "*misceor feminis*" which from the context obviously mean nothing else than that the reformer no more lives in monastic retirement, but mixes

¹ Döllinger, *Die Reformation, ihre innere Entwicklung*, 1853-4, vol. i, p. 295. Quoting Walch, *op. cit.*, vol. xvi, p. 2013.

² *Ibid.*, p. 320, quoting Bindseil, *op. cit.*, vol. i, p. 172.

³ *Ibid.*, p. 306, quoting from the *Tischreden*.

with society, including that of women, are taken as a confession of habitual immorality.¹

Protestant historians have used the Table Talk in a fairer and more amiable way, though it is true that they have occasionally been led by admiration of their hero to explain away what might damage his character. This has been done mainly by the editors; the historians proper have simply ignored the less admirable part of the Table Talk, or excused it all in a few general terms, while reserving their specific quotations for those sayings which show the brighter side of Luther's character. The editors, however, had to treat each saying by itself, and many of them have taken liberties with the text in the interests of piety. The first editor, Aurifaber, suppressed much he thought unedifying, as we can see by comparing him with his sources, and the last editor, Kroker, has shown the same tendency in supporting a reading in Mathesius's Luther Histories, recorded so many years later, against one taken on the spot, all in the interest of Luther's reputation.²

Of all the historians whom I have consulted³ Köstlin has made the best use of the Table Talk. He used all the sources known at the time he wrote (*i. e.* all but the Mathesian collection, recently edited by Kroker) and he used them almost exhaustively. It is literally true that nearly every page of his biography has some reference to the Table Talk, and after comparing a large number of his

¹ H. P. Denifle, *Luther und Lutherthum*, 2 vols., 1904, 1905. This expression, taken from one of Luther's letters, is found on page 283 of vol. i. Many references are taken from the *Tischreden*.

² In the passage about Luther's "tres malos canes," quoted *supra*, p. 49, note 3.

³ *E. g.*, Hausrath, *Luthers Leben* (last ed., 1905). Berger, *Martin Luther in kulturgeschichtliche Darstellung*, 1895. Kolde, *Martin Luther*, 1884, 1893. Lindsay, *Luther and the German Reformation*, 1900.

references with the originals, I can only testify my admiration for his thoroughness and fairness.¹

The unprincipled use of the *Tischreden* by Luther's enemies led to an early attempt on the part of those of his friends whose zeal outran their judgment, to deny their genuineness and to impute them to Catholic forgers.² The attempt was so utterly preposterous that it was soon abandoned, and indeed is hardly worth mentioning. The authenticity of the Table Talk (making allowance for very slight editorial changes) is as indisputable as that of the *Address to the Christian Nobility*.

Another set of defenders admitting the authenticity of the work, have expressed their regret that it should ever have been published, and even suggested that the extant editions be suppressed—a proposal as impractical as injudicious.³ If their real defence, which, as has been stated, lies in a comprehension of the conditions under which they were spoken, be once understood and fairly applied, no partisan friend of Luther (needless to say no impartial historian) will regret their publication.

A very different question from the genuineness of the Table Talk is the question of its reliability. In using this source the historian should give to statements of fact only such weight as can be given to any oral testimony. When the difference between the date of the fact recounted, and the

¹ See Köstlin, *op. cit.*, vol. i, p. 774, and vol. ii, p. 487 *et seq.*

² This was the object of a little work by Möller and Strickner, *De auctoritate libri scripti sub titulo Colloquiorum Mensalium Lutheri*, 1693. Walch (*op. cit.*, vol. xxii, Einl., p. 22 *et seq.*) quotes opinions of the same kind, summing up strongly in favor of the genuineness. Since his work, 1743, no editor has thought it necessary to take up the question.

³ *Ibid.*, p. 25. Walch defends his own edition by saying it is better to have a good than a bad one.

date of the saying in which it is recorded can be ascertained, the probable degree of accuracy can be calculated. Obviously Luther's story of the Diet of Worms, told by him twenty years after it happened, is worth less than the account of his controversy with the Swiss, taken down within a few weeks of its occurrence.

The date can only be told as a rule, in the sources, and so it is these sources only, and not the collections, that must be used by the historian. Another reason for using them is that they contain the best text of the Table Talk. Again it is plain that the facts are reliable in proportion as they came within the personal observation of Luther and his guests. The not infrequent accounts of the evolutions of the Turkish army, and of the counter moves of Ferdinand and the German Princes, are worth no more than pure fiction as regards the facts they purport to record. They are worth something, however, as indicating the popular anxiety caused by the Turks in Germany in the sixteenth century, and the popular opinion that Ferdinand used these terrors to wring armies and supplies from the German States.¹

This observation leads us to remark that it is not as a repertory of dates and figures, or as a chronicle of important historical events, that the Table Talk has its value. This lies rather in the brilliant picture it gives of the opinions, the motives, the reading, the daily life and personal attitude of the greatest German of his age, and in their portrayal of contemporary social life and habit.²

A good example of the value of the *Tischreden* is seen in the new light cast, by the recently published Mathesian

¹ Cf. Kroker, *op. cit.*, no. 507. Seidemann, *op. cit.*, 3 and 126.

² Making due allowance for the context and spirit of the documents.

Collection, on the vexed question of Luther's attitude to Philip of Hesse's bigamy. Here we get a few new facts, as for example that the Landgrave visited Weimar to discuss the project with Luther and Melanchthon, for which the *Tischreden* are the only authority.¹ The visit must have taken place in April, 1534, and the conversation reported by Mathesius who relates it, took place about June 1, 1540, so that it is quite possible that there may be a mistake in Luther's memory. More valuable, however, than a few doubtful facts of this nature, is the light cast on Luther's whole attitude by his continual reference to the unfortunate affair. We can see how perplexed he is about it, and what pressure must have been brought to bear to get him to accede to the second marriage. We regret to note, at the same time, that he seems more worried by the use the "Papists" make of the affair than by its doubtful morality. Fouchet's "worse than a crime, a blunder" is paralleled by his "not only a sin but a scandal."² His chief defence of his attitude is by comparison with the worse morality of the Papists. He is firmly convinced that all would have been well if the matter could have been kept quiet as he advised.³

Luther's characterization of his contemporaries is always interesting to us, not as a final valuation, but as evidence of Luther's relations with them. His opinion of the rela-

¹ Kroker, *op. cit.*, no. 181, note 11.

² "*Si Macedo peccavit, peccatum est et scandalum*," Kroker, *op. cit.*, no. 241.

³ See Kroker, *op. cit.*, nos. 181, 188, 233, 241, 245, etc. The most recent monograph on the subject, W. W. Rockwell's *Die Doppelhe des Landgrafen Philipp v. Hessen*, 1904, quotes Kroker's *Tischreden* in this connection as a source. He corrects many former misconceptions and shows that at the Eisenach meeting (July, 1540, shortly after the saying above quoted had been recorded) Luther advised "a good strong lie."

tive merits of himself and three other leaders is seen in his calling Melanchthon "Deeds and words," Erasmus "Words without deeds," himself "Deeds without words" and Carlstadt "Neither deeds nor words."¹ Erasmus always excites his wrath, being (if we may borrow a phrase from Milton) one of those lukewarm persons "who give God himself the vomit."

I condoned all his boasts, [says Luther in one place,] but I could not stand his catechism, because he teaches nothing certain in it, but tries to make the youthful reader doubtful. It was the Roman curia and Epicurus who showed him the way. In Germany we have a regular fraternity of Epicureans, Crotus, Mutianus and Justus Menius.²

Less than anything else Luther was able to understand or sympathize with the advocate of half-way measures. Of Bucer he has a poor opinion;

That little wretch (*Leckerlein*) has no credit with me. I don't trust him, for he has too often betrayed me. He showed himself up badly at Regensburg, when he wanted to be a mediator between me and the Pope, and said: "It is too bad that there should be so much trouble for the sake of two or three little articles!"³

Hardly less interesting than his opinion of his contemporaries is his opinion of men of former generations. As is well known his estimation of Aristotle was small, a natural reaction against the schoolmen.

¹ For this and a number of other characterizations, see Bindseil, *op. cit.*, vol. i, pp. 266-306.

² Seidemann, *op. cit.*, p. 48. For another of the same tenor, see Kroker, *op. cit.*, no. 569.

³ Kroker, *op. cit.*, no. 543. For Agricola, see Seidemann, *op. cit.*, p. 70. For Oecolampadius, Kroker, *op. cit.*, no. 468.

Aristotle is nothing but Epicurus. He does not believe that God cares for the world, or if he does, he thinks that God drowns along like a sleepy maid rocking a baby. Cicero was much better; in my opinion he got all that was best in the Greeks.¹

Terence was his favorite author among the heathen and in the following opinion of him we see a venerable sanction for the joke on the mother-in-law, which still makes so large a part of current humor:

The *Hecyra* is a fine comedy, the best in Terence, but because it has no action it does not please the common student. But it is full of grave sententious sayings, useful for common life, such as: "All mothers-in-law hate their daughters-in-law."²

The Translation of the Bible naturally occupies much of his thought. In one place he lays down a sensible rule of translation which partly explains the success of his own:

It is not sufficient (in translation) to know the grammar and observe the sense of the words, but knowledge of the subject treated is essential to a proper understanding of the words. Lawyers do not understand the law except by practice, and no one can understand Virgil's Eclogues without knowing something of the subject. If the reader knows whether the eclogue is about Augustus or Cæsar, he can easily apply the words. So in the Bible I keep to the sense.³

¹ Kroker, *op. cit.*, no. 525.

² Kroker, *op. cit.*, no. 485. His allusions to Terence are quite frequent. In one place (if my memory serves me) he said he read a little of that author every day.

³ *Ibid.*, no. 145. Further examples of the pains the Bible cost him and his estimate of previous translations are found in *ibid.*, nos. 470, 473. See also Dietrich, p. 137, quoted by Köstlin, *op. cit.*, vol. i, p. 86, note 2, for his opinion of the commentators on the Bible.

Some will contend that he carried this principle too far when he inserted a word in Romans which Paul had not used.

He often speaks of the part he took in the great historic events of Worms and Augsburg, and though his memory may be at fault as to details, his allusions are always worth much as illustrations of his later attitude. At one time he was inclined to make the Diet of Augsburg of 1518 the turning-point of his life. "Up to that time I knew too little of the errors of the Papacy." Possibly he exaggerated the amount of pressure brought to bear on him to retract.¹

In like manner his memory of Worms is doubtless somewhat at fault, but his account of it is interesting as showing his later, more advanced attitude. As he remembered it he said:

Most gracious Lord Emperor: Some of my books are disputations (*Zanckbücher*), some didactic. The didactic and the word of God I will not recant, but if I have been too vehement against any one in disputation, or have said too much, I will let it be shown me if you give me time for reflection.

This, of course, contradicts the usual statement that he apologized for the invective and asked for time on the other.²

For the daily course of his private life the Table Talk is the best source we have. Even Luther's letters, frank,

¹ Seidemann, pp. 93-97. The Diet of 1518 is of course meant. He states that he was there three days without a safe-conduct. He arrived just at the close of the session. *Cambridge Modern History*, vol. ii, p. 133.

² Bindseil, *op. cit.*, vol. i, pp. 438-440. The passage cannot be dated with certainty. Of the same kind of reminiscence as the above is his account of his vow to be a monk. *Ibid.*, vol. iii, p. 187 *et seq.*

charming, intimate as they are, do not give us such a picture of him as does this record of his conversations. For some years such as 1538, we can tell just what he was thinking and doing on almost every day. Out of a wealth of material sufficient to construct a biography, we shall select a few specimens.

Luther's ill-health is a well-known fact, but we do not realize how constant and wearing it was until we read the Table Talk, where it is often alluded to, though never in anything but a brave and manly way. He suffered hardly less from his ailments than from the barbarous remedies of the time. Vertigo troubled him, for which he found help in a little food, remarking that butter was a good thing.¹ A more serious complaint was the ulceration of his body; he once compared his sores to the stars in the sky, saying that there were over two hundred of them.² At another time he wished he had died at Schmalkald, where he was tortured by the stone. His observation that medicine was a good thing but the doctors poor, was fully justified by the treatment he received on this occasion.³

His superstition, too, is constantly appearing. He had the tendency (common to the unscientific mind) of attributing what he could not explain to supernatural causes. Even a thunderstorm transcends natural phenomena. He said of one: "It is simply satanic. I believe the devils wanted to have a dispute and that some angel interposed this *χάσμα* and so tore their propositions up." Sometimes his credulity takes an active form which shocks our modern

¹ Bindseil, *op. cit.*, vol. i, p. 95.

² *Ibid.*, vol. i, p. 308.

³ Seidemann, *op. cit.*, p. 24. See also Kroker, *op. cit.*, no. 747. For his illness in Italy, see Seidemann, *op. cit.*, p. 105. His best cure, he said, was John iii. 16. Dietrich, p. 119, quoted Köstlin, *op. cit.*, vol. ii, p. 505.

humanity. He advised, for example, that a poor girl who was said to shed tears of blood in the presence of another woman be tortured as a witch.¹ His advice as to how to frustrate the machinations of the spirits who stole the milk is more disgusting, though less cruel.² Sometimes he took a rational view as when he said the stars did not influence events.³

Luther's hospitality is strikingly portrayed in the Table Talk. In fact he must have had many guests all the time, or else he could not have had so many records made of his conversation by different persons. Not only did he have his friends with him for long periods together, but many chance visitors put up at his house. Such was the Swiss Superintendent whom Luther received on April 15, 1538. We have an agreeable evidence of his courtesy on this occasion in the delicacy with which he speaks of his relations with the Swiss Reformers.⁴

We have already spoken of his carelessness in temporal affairs and the anxiety it caused his good wife, but the frequency of its reappearance in the Table Talk will perhaps justify us in adducing another example. Käthe complained that she had only three bottles of beer left, to which he complacently replied:

God can easily make them four. If he were not our provider, we should soon be done for. I have an extraordinary way of living, spending more than I get. For I must spend more than 500 florins⁵ a year in the kitchen, without counting

¹ Seidemann, *op. cit.*, p. 117. "Let such be tortured"; perhaps he means the other woman, or both.

² *Ibid.*, p. 121.

³ *Ibid.*, p. 47.

⁴ *Ibid.*, p. 62. See also Kolde, *Analecta Lutherana*, p. 378, on the *miscellanea turba* of old and young in Luther's house.

⁵ *I. e.*, the amount of his income, 200 florins besides the 300 he got from the elector.

clothes and extras. If I had a smaller house I would keep away the multitude and be as private as I could. But God is the provider for simple folk."¹

On his relations with his wife and children much may be gathered from the Table Talk, but the subject is already hackneyed. He may joke his wife about her womanly readiness in speech,² or pun on her name, calling her his *Cathena*, or Chain, but we feel that it is all good-humored and affectionate. As we have seen Kätke was not always on the best terms with the students, and they undoubtedly retaliated for her jealousy by the depreciatory tone in which they refer to her.³

It is interesting to observe how much our appreciation of the comparative worth of the different sayings has changed from that of Luther's contemporaries. To the first editors those sayings were most valuable which gave an authoritative exposition of some knotty point in theology, or an exegesis of some obscure text in the Bible. To us these once vital questions have sunk into comparative neglect, and what Luther may have thought of the Judgment Day,⁴ or of Nebuchadnezzar⁵ is no longer decisive, hardly interesting. To all who know Luther, however (and who does not?), those stories and jokes, the familiar conversations which reveal so much of the man's heart and life, will have an ever fresh and abiding interest.

¹ Bindseil, *op. cit.*, vol. iii, p. 199.

² Wrampelmeyer, *op. cit.*, no. III *et seq.*

³ See *supra*, ch. ii and iii. Cf. Wrampelmeyer, *op. cit.*, no. 120. Köstlin, *op. cit.*, vol. ii, p. 496.

⁴ Kroker, *op. cit.*, no. 122.

⁵ *Ibid.*, no. 218.

APPENDIX

BIBLIOGRAPHY

THIS bibliography is divided into six parts. The first is a catalogue of the MSS. and editions of the sources. The second is a similar catalogue of the collections, in the various MSS. and editions. The third part gives a table showing the relations of the various MSS., how the notebooks were gradually combined into the later collections. Part four is a list of all the German and Latin printed editions, both collections and sources. The fifth part is a catalogue of the English and French translations. The sixth and last section is a review of additional explanatory material bearing on the subject. My account of this last category is critical as well as descriptive; the other classes of material have been so fully treated in the text as to render further criticism unnecessary.¹

PART I. THE SOURCES

Cordatus

1. *Tagebuch über Martin Luther*, geführt von Conrad Cordatus. MS. found by Dr. H. Wrampelmeyer in the Church Library at Zellerfeld. It contains a variety of material besides *Tischreden*. At one time Wrampelmeyer be-

¹ I have seen none of the MSS. myself; my account is, therefore, taken from the printed sources indicated in the notes.

lieved it to have been in the handwriting of Cordatus, but later found that it was not.¹

2. *Die Herliche Schöne und Liebliche Apophtegmata des Hochgelaerhtens Docto. Martini. Lutheri*, zusammen geschrieben Per Dominum Doctorem Conradum Cordatum. "Haec varia et utillissima dicta sanctissimi viri Doctoris Martini Lutheri scribebat sibi Sebastian. Redlich Berneönsis, M. D., LXVI."²

Dietrich

3. *Collecta ex Colloquiis habitis cum D. Martino Luthero in mensa per annos sex, quibus cum eo Wittenberge communitus sum usus.* 29, 30, 31, 32, 34, 35. MS. Cent. V. append. no. 75, Nürnberg.³ The numbers 29, 30, etc., refer to the years 1529, etc.

4. *Rapsodiae et dicta quaedam ex ore Doctoris Martini Lutheri in familiaribus colloquiis annotata . . . Valentinus Bavarus suo labore et manu propria in hunc librum transcribendo comparavit.* 1548. MS. in the Royal Library of Gotha.⁴

5. *Colloquia Lutheri conscripta a quibusdam et alia quaedam addita sunt. Thesaurus Theologiae* 1543. Christopherus Obenander, Studio Witten. 44.⁵ MS. in Royal Library at Dresden.

Schlaginhaufen

6. *Martini Lutheri Privata Dicta, Consilia, Judicia,*

¹ Wrampelmeyer, *op. cit.*, pp. 6-12.

² MS. first noticed by Kawerau. Cf. Wrampelmeyer, *op. cit.*, Einl., p. 10, note 1; Kroker, *op. cit.*, Einl., p. 35 *et seq.*; Lösche, *Analecta*, p. 4, note 1. Redlich of Berne is otherwise unknown.

³ Seidemann, *op. cit.*, Einl., p. xi. Preger, *op. cit.*, Einl., p. xviii.

⁴ Kroker, *op. cit.*, Einl., p. xxi.

⁵ *Ibid.*, Einl., p. xxii. Bindseil, *op. cit.*, p. cxxii.

Vaticinia, Item Epistolae, Sales, Consolationes hinc inde collectae, Anno 1567. MS. Clm. 943 in the Munich Public Library.¹

Lauterbach

7. *Tagebuch auf das Jahr 1538*. MS. in Royal Library at Dresden.²

8. *Meditationes et Colloquia D. Lutheri*. MS. in Stolbergische Bibliothek at Wernigerode.³

9. *Tagebuch*, copied by Khumer (Kummer), in Dresden Library, 1554.⁴

10. *Dicta et Facta R. D. D. Martini Lutheri et aliorum*, 1550. "Georgius Steinert hujus codicis est possessor." MS. in Munich, Clm. 937-939. Contains copies from Lauterbach, and others.⁵

11. *Colloquia Serotina D. M. L.*, 1536, 22 Octobris [and to 1539] descripta ex *αὐτογράφῳ*. D. Antonii Lauterbachii primi Superint. Pirn. in Misn. Anno 1553 manu Pauli Judicis al. Richteri primi Pastoris Neapol. s. Neostad. prope Pirnam. MS. at Gotha, B 169.⁶

Mathesius, Tagebuch

12. *Goth B. 168*. MS. in the Ducal Library at Gotha. Collection of Judgments of Luther on sundry things and persons, chiefly theological. P. 471. This MS. contains a great variety of things. It has many of Mathesius' notes.⁷

13. *Codex Rhedigeranus* of the City Library at Breslau

¹ Preger, *op. cit.*, Einl., pp. iv, v.

² Förstemann-Bindseil, *op. cit.*, vol. iv, p. xv *et seq.* Seidemann, *op. cit.*, Einl., p. iii.

³ Seidemann, *op. cit.*, Einl., p. iii. Preger, *op. cit.*, Einl., p. 1.

⁴ *Ibid.*, p. ix.

⁵ Preger, *op. cit.*, Einl., pp. xxii, xxiii.

⁶ Kroker, *op. cit.*, p. xxii.

⁷ Lösche, *op. cit.*, Einl., p. 24 *et seq.*

No. 295. It contains Mathesius' notes copied from X in almost exactly the same form as *Analecta*.¹

14. *Familiaria Colloquia Rev. Viri D. D. Mar. Lutheri*. In possession of the book dealer Hirzel of Leipzig. This has quite a variety of things including many of Mathesius' notes "undoubtedly near the original" and a few of Lauterbach's.²

15. *Excerpta haec omnia in mensa ex ore D. Ma.: Luterj. Anno Domini 1540*. MS. in Nürnberg.³

Mathesius, Luther Histories

16. *Historien von des Ehrwirdigen in Gott seligen thewren Manns Gottes, Doctoris Martini Luthers, anfang, Lehr, leben unnd Sterben*. Nürnberg 1570. (Reprinted later, see *infra*.)

Plato

17. *Memorabilia dicta et facta Lutheri*. This MS. was used by Köstlin and cited by him as the *Leips. Mskr.* Its age and author are unknown. The chirography is that of the later Reformation time. The latest datable piece (No. 214) speaks of the Diet of Augsburg, 1547.

It contains 218 Nos. Kroker proved these to come from Plato's collection. Among the *Tischreden* there are a number of anecdotes of the guests, Melanchthon, Bugenhagen, Major, Cruciger, Mathesius, &c. It is much the most original of the Plato copies. Kroker prints (*op. cit.*, 52, Einl.) four pieces from it which are found nowhere else.⁴

¹ Lösche, *op. cit.*, Einl., p. 24 *et seq.*

² Edited by Lösche, 1892, as *Analecta Lutherana et Melanthonia*. See *infra*, printed editions.

³ Kroker, *op. cit.*, Einl., p. 1.

18. *Corpus Reformatorum*, vol. XX, pp. 519-608. Melancthon's reports of Luther's sayings, described as "Certain histories recited by him in his public lectures, collected by a certain disciple, Weric Vendenhaimer of Nürnberg." These consist of 304 sayings taken mostly from Plato's collection.¹

Miscellaneous

19. Zwickau N LXX. *Adiaphoristica item quadem apophthegmata*. MS. in Library of the Ratsschule.

20. Hamburg *Supellex epistolica Uffenbachii et Worliorum LXXIV. Ad historiam Reformationis spectantia*.

These two MSS. are of very minor importance, having only a few *Tischreden* in them.

PART II. THE COLLECTIONS

Mathesius

1. Eberhard. Freyberg in a school Programme of 1727 speaks of a MS. of Luther's *Tischreden* in his possession which is designated as "*Thesaurus Theologicus*," and came from the hand of C. Eberhard. This man was born 1523, at Schneeberg, and died 1575, at Wittenberg. He had copied it from the original of Mathesius, as he notes in an autograph inscription on a page glued to the cover: "Hunc librum descripsi ex. Dni. Magistri Mathesii libellis cui acceptum refero et gratias immortales ago. Caspar Eberhard 1550, Aprilis 27." This MS. is unfortunately lost. Dr. Schnorr, of Carolsfeld, advertised for it in vain, and so did Kroker.²

¹ Lösche, *Analecta*, Einl., p. 30 *et seq.* He mentions two other books in which he has found parallels to his own MS, but they are not properly sources at all.

² See Seidemann, *op. cit.*, p. ix, and Kroker, Einl., *op. cit.*, p. 38. Schnorr gave some references from Eberhard's life by D. T. Müller (1754) to show that he had written *Colloquia*.

2. *Luthers Tischreden in der Mathesischen Sammlung*. This MS. was spoken of by Lingke, 1769. Lösche refers to it as lost.¹ Kroker discovered it between two books in the Leipzig Library, and edited it. Not mentioned in the Catalogue of Leipzig MSS. by Naumann, 1838; it appears in the catalogue of Pölit's Library as follows: *Luth. Martinus, Colloquia. Manuscripta Collecta*, 1546. In 1885 G. Wustmann printed a little bit of it, naming both Mathe-sius and Schiefer in connection with it, but this indication of its whereabouts remained unnoticed.

Unknown

1. *Farrago litterarum ad amicos et colloquiorum in mensa RP Domini Martini Lutheri &c.* MS. in ducal library of Gotha. On the binding is, M. B. 1551. See *supra*, p. 57.

Lauterbach

1. Halle MS. written 1560, edited by Bindseil, 1863-66. Contains the first redaction of Lauterbach's collection. See above, chapter on collections, and below, printed editions. Found in the library of the Orphan Asylum at Halle. Folio 654 Bl. Very poor hand. The sections often run together. Said to have been edited with "painful accuracy."²

2. Dresden A 91 & 92. Two volumes folio of 283 and 365 pages respectively. Anno 1562.

3. Gotha A 262. MS. at Gotha, an incomplete copy of second part of the above. Folio 310 Bl.

4. *Colloquia Meditationes &c. Lutheri*. Edited by Reb-

¹ Lingke: *Luthers Merkwürdige Reisegeschichte*, Einl., p. 3. Seide-mann, *op cit.*, Einl., p. xii, gives numerous references on Werndorf and Schiefer. Lösche, *Analecta*, p. 10. Kroker, *op. cit.*, Einl., p. 17.

² Bindseil, *op. cit.*, Einl., *passim*. Meyer, *loc. cit.*, p. 6.

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(1566)

enstock at Frankfurt a. M. 1571. See chapter on collections and *infra*, printed editions.

5. MS. in Wolfenbüttel of 1562. Extra 72. Two parts of 169 and 236 pages respectively. It contains some matter besides *Tischreden*.¹

Aurifaber

1. *Deutsche Tischreden*, printed 1566 *et saepe*. See chapter on collections and below, printed editions.

2. C germ. 4502 in Munich. Anno 1614. Two parts, 229 and 191 pages, octavo. Extracts from Aurifaber.²

3. Karlsruhe 437, *Luther's Tischreden* 1535-1542. Written *circa* 1575; contains extracts from the printed edition, with other matter in the appendices.³

PART III. THE RELATIONS OF THE MSS.

A Table showing the relations of the MSS. will be found opposite this page. The explanation of this table is as follows:

We start here with the twelve notetakers, and trace the process of transcription through which their notes went. We first observe that these transcriptions were not exact, the copyist changed both the matter and the order of what he copied, left out a good deal and introduced extraneous matter. We simply mean that the MSS. took most of their material from the sources indicated, though they often took much from others, especially, of course, in the large collections. A full description of the MSS. has already been given.

The *Tagebuch* of Cordatus is known in two MSS.

Dietrich kept a notebook, and also had a collection, copied from others. The former is known in the MS. *Dietrich*, the lost MS. X copied from both, and was the source of three other copies, *Bavarus*, *Obenander* and *Mathesius* § 6.

¹ Meyer, *loc. cit.*, p. 7. Mentioned in Kroker, *op. cit.*, Einl., p. 37.

² Meyer, *loc. cit.*, p. 36.

Schlaginhaufen's *Tagebuch* was edited by Preger.

Lauterbach was the author of at least four sources. The first *Tagebuch* was copied by Weller, both in his notebook and his collection. The second was edited from a Dresden MS. by Seidemann, and is also known in three other more or less complete copies, *Khumer*, *Munich MS.*, and *Wernigerode MS.* The third *Tagebuch* is known in the MS. *Serotina*, and also in excerpts in the fifth section of Kroker. The fourth book was a simple collection, i. e., a book of copies from others, which was taken into three of the MSS. which have the *Tagebuch* of 1539, viz., *Khumer*, *Munich*, and *Wernigerode*. From one of these, or a MS. like them, Lauterbach made his large collection, taking notes also from other sources doubtless, especially from his own earlier notes, possibly through Weller. The first redaction was edited from the *Halle MS.* by Bindseil. The second is known in two copies, MSS. at *Gotha*, and *Dresden*. From another lost copy a third redaction was made and edited by Rebenstock. By a fourth line a fourth redaction was made, which we have in the *Wolfenbüttel MS.*, which was the source of Aurifaber. Aurifaber also incorporated other notes, especially important being his own and those of Stolz, which are unknown in any other form.

Weller's *Tagebuch* and *Sammlung*, in both of which he copied largely from Lauterbach, were incorporated into the MS. published by Kroker, but in different ways.

Corvinus' notebook, if he had one, is lost. One of his notes survives in Schlaginhaufen.

Mathesius was the author of two books of *Tischreden*, the *Tagebuch* of 1540 and the *Luther Histories*. The first was copied in a lost MS., X, and from it by four other extant MS., *Gotha B.*, *Hirzil*, *Rhedigeranus*, and the one edited as *Analecta* by Lösche. It was also copied by Plato, and incorporated by Mathesius himself as the first section of his collection. The other sources of this collection are indicated by lines; they were all kept by Mathesius himself in a lost MS., X. This was copied by Eberhard, whose MS. is lost, and also by Krünger, who added to them his own copy of Weller, published as § 8 of Mathesius in Kroker.

Heydenreich and Besold are known only in copies in the Mathesian Collection.

Plato was copied by Melanchthon, and taken from him as lecture notes by Vendenhaimer, whence they were reprinted in the *Corpus Reformatorum*. He was also copied by the MS. *Memorabilia*, and by Mathesius in the seventh section.

Stolz and Aurifaber, as has already been stated, survive only in the collection of the latter, where their notes cannot be distinguished from those taken from other sources.

Some MSS., such as *Hamburg*, *Zwickau*, and the collection *Farrago*, cannot be placed in this table at all, as their notes are either too few or their complexity too great to enable the investigator to determine their relations. They are all unimportant.

PART IV. PRINTED EDITIONS; GERMAN AND LATIN

Aurifaber

1. *Tischreden oder Colloquia Doct. Mart. Luthers*, so er in vielen Jaren, gegen gelarten Leuten, auch frembden Gesten, und seinen Tischgesellen gefüret, Nach den Heubtstucken unserer Chritlichen Lere, zusammen getragen. Eisleben. 1566.¹

The *Tischreden* are divided here, as in all of Aurifaber's editions, into 80 great chapters. In this edition they are incorrectly numbered 82, nos. 23 and 32 being left out.

2. *The same*, Frankfurt am Mayn, 1567. Folio. Doubtless pirated.¹

3. *The same*, Frankfurt am Mayn. Octave, 2 vols. Under the title we have: "Anfenglichs von Antonio Lauterbach zusammen getragen, Hernacher in gewisse Locos Communes verfasst und aus viel anderer Gelehrter Leuth Collectaneis gemehret Durch Herrn Joh. Aurifaber." This edition was also pirated.¹

¹ Irmischer, *Luthers Tischreden, Sämt. Werke*, Frankfurt am Mayn und Erlangen, vol. 57, Einl., p. x et seq.

4. *The same*, Frankfurt am Mayn, 1568, folio. A new introduction, by Aurifaber, dated July 1, 1567, complains of changes and additions to his authentic volume of *Tischreden*. He probably alludes to the last two editions, though the changes in them are very slight.¹

5. *The same*, Frankfurt am Mayn, 1569, folio. Appendix with prophecies of Luther collected by Mag. G. Walther, and subscription by J. Fink.¹

6. *The same*, Eisleben, 1569. Folio.²

7. *The same*, Eisleben, 1577. Folio.¹

8. *Tischreden von Martini Lutheri*, so er in vielen Jaren die Zeyt seines Lebens gegen Gelehrten Leuthen &c. Anfenglich von M. Anthonio Lauterbach zusammen getragen. Hernacher in gewisse Locos Communes verfasst und aus viel anderer Gelehrter Leute Collectaneis gemehret durch Johannem Aurifabrum. Frankfurt am Mayn 1571.

This edition is not mentioned in Irmischer, Bindseil, or any other catalogue of the *Tischreden*. I have seen a copy at Union Seminary, New York, and there is another at Johns Hopkins University, Baltimore.

It is a pirated edition, copied mainly from no. 3, but with changes taken from no. 5. After Aurifaber's Preface of 1569 comes the register of 80 chapters, and at the end a sort of Appendix put in the Index as "Auch noch viel andere Tischreden Doct. Mart. Luth. zum theil in die obgesetzte Locos gehörende, von allerley Sachen, auss etlichen geschriebenen Büchern zusammen getragen."

At the end comes an Appendix of *Propheteyung* D. Martini Lutheri. Then the alphabetic Index. On the last page the colophon: *Gedruckt zu Frankfurt am Mayn durch Peter Schmid und Sigismund Feyerabend*.

¹ Irmischer, *Luthers Tischreden, Sämt. Werke*, Frankfurt am Main und Erlangen, vol. 57, Einl., p. x et seq.

² *Ibid.* I have seen this edition at Union Theological Seminary.

Stangwald

9. *Tischreden doctor Mart. Luthers*, so er in vielen Jaren, gegen Gelärten Leuten, auch frembden Gesten, und seinen Tischgesellen geführt. Nach den Häupstücken unserer Christlichen Lehre, zusammen getragen. Und jetzt Auff's neuwe in ein richtige Ordnung gebracht, Und nach den geschriebenen Tischreden Doct. Mart. Luth. Corrigiert.

This title is followed by a picture of Luther at table with six men, four boys attending. Lower down on the page we see: *Gedruct zu Frankfurt am Mayn, durch Thomas Rebarts Seligen Erben . . .* (the sheet is torn at this point), and further down the date: *M. D. LXXI*.

Aurifaber's Preface then comes, dated July 7, 1569. The *Tischreden* themselves form a thick folio. They are divided into nine large sections, unnumbered, each section divided into several captions, numbered, making 43 captions in all, as against Aurifaber's 80; though about the same amount of material is in each.¹

The name of the editor does not appear on the titlepage of this edition, but there is no doubt that it was Stangwald, as he speaks of it in his edition of 1591. In the preface to the latter edition he describes his work, and says he was led to undertake the redaction in order to get an edition closer to the original text.

10. *The same*, 1591, with name of editor on the titlepage, and preface explaining the method of improvement, from the notes of Mathesius and Mörlin. This edition was published at Jena.²

¹ I saw a copy of this edition at Harvard, where it was ascribed to Aurifaber in the catalogue until I pointed out to the librarian that it really belonged to Stangwald.

² Irmischer, *op. cit.*, xiii, xiv. Förstemann-Bindseil, *op. cit.*, vol. iv, p. xxviii.

11. *The same*, reprint at Leipzig by T. Steinmann, 1603.¹
12. *The same*, 1621, at Leipzig, by B. Voigt. This has the colophon at the end, "Printed at Jena by T. Steinmann, 1603."²
13. Edition of 1669 at Frankfurt a.M.³
14. *The same*, folio, 1700, at Leipzig.
15. *The same*, 1723, at Dresden and Leipzig. Georgisch in his *Bücher-Lexicon* gives the date as 1722.

Selneccer

16. *Colloquia, oder Christliche Nützliche Tischreden Doctoris Martini Lutheri*, so er in vielen Jaren, gegen Gelehrten Leuten, und frembden Gesten, und seinen Genossen, nach den Heuptstücken unserer Christlichen Lehre, gehalten. Erstlich durch M. Johannem Aurifabrum seligen, fleissig zusammengetragen und in Druck gegeben: Jetzt auffs neue in ein richtige Ordnung gebracht, und also verfertiget, das sie allen Christen sehr nötig, nützlich, und tröstlich, sonderlich zu diesen elenden letzten zeiten, zu lesen sind. Sampt einer newen Vorrede, und kurtzen Beschreibung des Lebens und wandels Herrn Doctoris Lutheri, auch sehr nützlichem Register am Ende dieses Buchs angehenget, aller Bücher und Capitel der Göttlichen, heiligen schrift, wo, und wenn dieselbigen der Herr Doctor Lutherus ausgelegt, und erkleret habe, und in welchen Tomis solche auslegung zu finden sei.

After a Latin couplet and the usual quotation from John 6 we see: Nic. Selneccerus. Leipsig, MDLXXVII.

¹ This is in the *British Museum Catalogue*. It is not spoken of in Irmischer, but its existence might be inferred from his description of no. 12, in which the colophon of this edition was taken over unchanged.

² Irmischer, *ibid*.

³ This is known only through a note in Georgisch in his *Bücher-Lexicon*, quoted by Irmischer, *op. cit.*, p. xv.

After this Aurifaber's Preface of 1569 is inserted. Then an "*Historica Oratio*" on Luther's life.¹

17. *The same*, 1580¹

18. *The same*, 1581.¹

Other German Editors

19. *D. Martin Luthers sowol in Deutscher als Lateinischer Sprache verfertigte und aus der letzteren in die erstere übersetzte Sämtliche Schriften*. Zwei und zwanzigster Theil, Welcher die *Colloquia oder Tischreden*, so von Johann Aurifaber mit Fleiss zusammen getragen, und nach den Hauptstücken der Christlichen Lehre und Glaubens verfasst worden, enthält; Herausgegeben von Johann Georg Walch, der heiligen Schrift D. und Prof. Publ. Ordin. auf der Universität Jena, wie auch Hochfürstl. Sächs. und Brandenb. Onolzb. Kirchen- und Consistorial-Rath. Halle im Magdeburgischen. Druckts und verlegt Joh. Justinus Gebauer. 1743.

This was the 22d volume of his edition of the *Sämtliche Werke*, which began to come out 1740.²

20. *Dr. Martin Luthers Sinnreiche Tischreden*. Nach den Hauptstücken christlicher Lehre verfasst. Neue, wohlfeile Ausgabe. 2 Bde. Stuttgart und Leipzig. Verlag von L. F. Nieger und Comp. 1836.³

21. *D. Martin Luthers Tischreden oder Colloquia*, so er in vielen Jahren gegen gelahrten Leuten, auch frembden Gästen und seinen Tischgesellen geführt, nach den Hauptstücken unserer Christlichen Lehre zusammen getragen.

¹ Irmischer, *op. cit.*, vol. 57, p. xv.

² These editions are common.

³ Irmischer, *op. cit.*, vol. 57, p. xvi.

Nach Aurifaber's erster Ausgabe, mit sorgfältiger Vergleichung sowohl der Stangwald'schen als der Selnecers'schen redaktion herausgegeben und erläutert von Karl Eduard Förstemann, und Heinrich Ernst Bindseil Berlin.

Four Volumes, 1844-1848.

22. *Martin Luthers Tischreden*. Den Deutschen Volke der Gegenwart angeeignet von Dr. R. L. B. Wolf. Leipzig, 1852. This is a selection from the *Tischreden* made by Wolff.¹

23. *Dr. Martin Luthers Sämmtliche Werke*. Frankfurt a. M. and Erlangen. 1854. Dr. Mart. Luthers vermischte deutsche Schriften. Nach den ältesten Ausgaben kritisch und historisch bearbeitet von Dr. Johann Konrad Irmischer. II *Tischreden*. Vols. 57-62.

24. *Dr. Martin Luthers Sämmtliche Schriften* herausgegeben von Dr. Joh. Georg. Walch. Zweiundzwanzigster Band. *Colloquia oder Tischreden*. St. Louis, Mo., Lutherischer Concordia-Verlag. 1887. *Dr. Martin Luthers Colloquia oder Tischreden*. Zum ersten Male berichtet und erneuert durch übersetzung der beiden Hauptquellen der *Tischreden* aus der lateinischen Originalen, nämlich des Tagebuchs des Dr. Conrad Cordatus über Dr. M. Luther, 1537 und des Tagebuchs des M. Anton Lauterbach auf das Jahr, 1538.²

25. *Luthers Tischreden*. Schmidt. 1878. A small selection "für das Christlichen Haus."

26. *Kraft-Sprüche Dr. Martin Luthers*. Aus der Original Ausgabe seiner *Tischreden* von J. Aurifaber zusammen gestellt und mit erläuternden Anmerkungen versehen von A. Reichenbach. Leipzig, 1883.

¹ Hartford Theological Seminary Library.

² Union Theological Seminary Library.

27. *Luthers Schriften* in Bd 15 of the series *Deutsche National Literature*. Ed. by E. Wolf. 1884-1892. A very small selection of the *Tischreden* at the end of this.

28. *Meyers Volksbücher. Luthers Tischreden*. Six small volumes, each dedicated to a separate subject. 1889-92.

Probably a large number of other editions of the same character as the last four—little selections for the edification of the pious Lutheran, or for the amusement of those interested in German history and literature—have been published. They are of so little importance that I have not thought it worth while to make an exhaustive search for them.

Latin Editors¹

29. *Colloquia, meditationes, consolationes, consilia, iudicia, sententiae, narrationes, responsa, facetiae D. Martini Lutheri, piaae et sanctae memoriae, in mensa prandii et coenae, et in peregrinationibus observata et fideliter transcripta*. Francofurti ad Moenum. Rebenstock. 2 vols. 1571.²

¹ There is one little book which purports to be a Latin edition of the *Tischreden*, but it is not. I mean: "*Sylvula Sententiarum, Exemplorum, Facietiarum*, Partim ex Reverendi Viri, D. Martini Lutheri, ac Philippi Melanthonis cum privatis tum publicis relationibus; Partim ex aliorum veterum atq. recentium Doctorum monumentis observata & in Locos Communes ordine Alphabetico disposita. . . . Per N. Ericeum. [Pictures of Luther and Melancthon] Francofurti ad Moenum, per Petrum Fabricium & Sigismundum Feyerbend. 1566."

This is a mere collection of odds and ends from writings of and about Luther; no proper *Colloquia*. It may be compared to the *Table Talk* of Dr. Samuel Johnson, collected from his writings and from Boswell.

² Rebenstock's name is not on the titlepage, but in the preface. The first volume was dated 1558 in all descriptions of this rare work, until Bindseil, in his *Colloquia*, preface, discovered the true date of both volumes to be 1571. The confusion arose from the fact that a picture was inserted on the first page, which bore the date (singularly enough) 1558; the Preface, however, was signed and dated 1571.

30. *D. Martini Lutheri Colloquia, meditationes, consolationes, iudiciae, sententiae, narrationes, responsa, facetiae.* E codice Bibliothecae Orphanotrophei Halensis cum perpetua collatione Editionis Rebenstockianae edita et prolegominis indicibusque instructa ab Henrico Ernesto Bindseil. 3 vols. 1863-1866. Lemgoviae et Detmoldiae.

Printed Editions of Sources

31. *M. Anton Lauterbachs Diaconi zu Wittenberg, Tagebuch auf das Jahr, 1538, die Hauptquelle der Tischreden Luthers.* Aus der Handschrift herausgegeben von Lic. theol. Johann Karl Seidemann Pastor zu Eschdorf. Dresden, 1872.

32. *Tagebuch über Dr. Martin Luther geführt von Dr. Conrad Cordatus, 1537.* Zum ersten Male Herausgegeben von Dr. H. Wrampelmeyer . . . Halle . . . 1885.

33. *Luthers Tischreden aus den Jahren 1531 und 1532.* Nach den Aufzeichnungen von Joh. Schlaginhaufen. Von W. Preger. Leipzig, 1888.

34. *Analecta Lutherana et Melanthonia.* Von G. Lösche. Gotha 1892.

35. *Luthers Tischreden in der Mathesischen Sammlung.* Aus einer Handschrift der Leipziger Stadtbibliothek herausgegeben von Ernst Kroker . . . Leipzig, 1903.

This publication contains, besides 772 numbers from the Leipsig MS., 2 from Bavarus, 1 each from Cordatus B and *Analecta*, 6 from *Memorabilia*, and 65 from *Serotina*.

PART V. TRANSLATIONS

English

1. *Dris. Martini Lutheri Colloquia Mensalia or Dr. Martin Luther's Divine Discourses at his Table*, which

in his Lifetime he held with divers Learned Men, such as were Philip Melancthon, Casparus Cruciger, Justus Jonas, Paulus Eberus, Vitus Dietericus Johannes Bugenhagen, Johannes Forsterus, and Others. Containing Questions and Answers Touching Religion and other main points of Doctrine; as also Many notable Histories, and all sorts of Learning, Comforts, Advices, Prophecies, Admonitions, Directions and Instructions, Collected first together by Dr. Antonius Lauterbach, And afterwards disposed into certain Commonplaces by John Aurifaber, D. D. Translated from the High German into the English Tongue by Captain Henry Bell. London: Printed by William Du-Gard, dwelling in Suffolk-lane, near London-stone, 1652.¹

2. *The same*, 1791. The title is the same down to Captain Henry Bell, then come the words: Second Edition. To which is prefixed, "The Life and Character of Dr. Martin Luther: by John Gottlieb Burckhardt, D. D., minister of the German Lutheran Congregation at the Savoy, in London. London: Printed for the Proprietor, W Heptinstal, No. 3 Wood Street, Spa Fields, Clerkenwell. MDCCXCI.²

3. *Familiar Discourses of Martin Luther*. Translated by Captain Bell and revised by J Kerby. Lewes, 1818.³

4. *Choice Fragments from the Discourses of Luther*. London, 1832.⁴

5. *The Table Talk or Familiar Discourses of Martin*

¹ Copy at Union Seminary. The titlepage is preceded by a full-length picture of Luther.

² The Lane Theological Seminary, of Cincinnati, Ohio, was kind enough to let me see its copy of this edition, which I have not found elsewhere.

³ Catalogue of Brit. Museum.

⁴ Lenox Library.

Luther. Translated by William Hazlitt, Esq. London, MDCCCXLVIII.

6. *The same in Bohn's Library*, with *Luther's Life* by Dr. Chalmers. 1857.¹

7. *The same.* 1900.

8. *The same*; American Edition by Lutheran Publishing Co. of Philadelphia.²

9. *The Table-Talk of Doctor Martin Luther.* IVth Centenary edition edited by T Fisher Unwin. London, 1883.¹

10. *Luther at Table. Elegant Extracts from his Talk.* W. H. Anderson, London, 1883.¹

11. *Luther's Table Talk.* Extracts selected by Dr. Macauley. 1883.¹

12. Selections from the Table Talk of Martin Luther. Translated by Bell. Cassell's *National Library*, Vol. 14, 1886.¹

Tischreden may also be found in translation in the following volumes:

13. *Luther's Life written by himself*, arranged and translated by Lawson. Edinburgh, 1832.

14. *Luther's Life by himself.* Arranged by J Michelet, Translated by Wm Hazlitt. 1846.

15. The same translated by Smith. New York, 1846.³

16. *The Prophecies of Luther concerning the Downfall of Rome.* Collected by R. C. m. a. London, 1664.¹

17. *Warner's Library of the World's Best Literature.* Selection from Hazlitt.

18. *Words that shook the world, or Martin Luther his own biographer.* New York, 1858. By C Adams.³

¹ Catalogue of Brit. Museum.

² So they write me, but give no date.

³ Astor Library.

French Translations

1. *Les Propos de Table de Martin Luther*, Révus sur les éditions originales, et traduits pour la première fois en Français. Paris, 1844. By Gustave Brunet.

Some *Tischreden* are also translated into French in the following:

2. *Mémoires de Luther écrits par lui-même*; traduits et mis en ordre par M. Michelet . . . Paris, 1835.

3. *The same* Bruxelles 1845.

4. Audin: *Histoire de la vie, des ouvrages et des doctrine de Luther*. 1839.

PART VI. WORKS RELATING TO THE *TISCH-REDEN*

Most of the textual criticism of the *Tischreden* is to be found in the introductions to the various editions enumerated above. The older editions are worth little, even Bindseil's Introductions to the fourth volume of the Förstermann-Bindseil edition of the German *Tischreden*, and to his edition of the Latin *Colloquia*, though showing more acumen and a greater grasp and critical ability than any of the preceding, are worth less than more recent work, because of the publication of so many of the sources, which has made the old collections comparatively valueless. Criticism of the texts of the sources began with Seidmann's Introduction to *Lauterbach's Tagebuch*, (1872), which is confined to a description of MSS. and their authors and possessors in such condensed form as to be little more than a series of exhaustive references. The copious Introduction and notes of Wrampelmeyer (to *Cordatus Tagebuch*, 1885) hardly went outside the field of his own MS., though he added many parallels to this. His judgment was warped by over-appreciation of his text. Preger,

in his Introduction to *Schlaginhauffen's Notes* (1888) is valuable for his researches on Dietrich and Schlaginhauffen's notes. He aims to strike the happy mean "zwischen dem Seidemann'schen zu wenig und dem Wrampelmeyer'schen zu viel." Lösche, in the Introduction to his *Analecta Lutherana at Melanthonia* (1892), gave the most complete account of MSS. up to that time published, though his interpretation of his own text as a copy of the Mathesian Collection turned out incorrect. He indulges in a somewhat pretentious style, speaking of Luther and Melancthon as the "Reformatorsche Dioscuri," and commenting severely on the "niedriges niveau" shown by Melancthon's telling stories in his class-room. By far the best thing that has come out on the texts, up to date, both for amount of detailed work, and for a large grasp of critical principles, is Kroker's Introduction to his edition of the *Mathesian Collection*. (1903).

The only piece of work on the texts of the *Collections* is found in the article of W. Meyer aus Speyer: "Ueber Lauterbachs und Aurifabers Sammlungen d. Tischreden Luthers." In *Abhandlungen d. k. Gesellsch. d. Wissenschaften z. Göttingen. Phil-Hist. Kl.* Neue Folge Bd. 1. Nr. 2. 1897. He first established the relation of Lauterbach and Aurifaber, proving that Lauterbach had made several redactions. He based his conclusions on an examination of the MSS. which shows real German *Gründlichkeit*.

A considerable amount of periodical literature on the texts might be cited, but it is either in the form of announcements of MSS. to be published (*e. g.*, H. E. Bindseil: "Bemerkungen über die Deutschen und Lateinischen Tischreden Luthers," in *Theol. Stud u. Krit.*, 1866, pp. 702-716), or of reviews of the same, which in any case appeared in better form in the critical apparatus of the edition in question.

For light on contemporary events and the place of *Tischreden* in history: encyclopedias, works on the Reformation, lives of Luther, and Luther's works, must all be consulted. For particular points, such as the life of one of the *Tischgesellen*, A. Hauck's *Realencyclopädie für protestantische Theologie und Kirche*, 3d. ed. which is now appearing (last vol. XVII, 1906 to *Schutzheilige*), is indispensable. Somewhat less useful is the Catholic counterpart, the *Kirchenlexicon* in 12 vols. (completed in 1901). I have also used the *Allgemeine Deutsche Bibliographie*.

General Histories of the Reformation say little about the *Tischreden*, Laviſse and Rambaud (Vol. IV, *Renaissance et Reforme* 1894) gives a brief, and rather harsh appreciation of them.

The lives of Luther, on the other hand, make much of them. Köstlin (*Martin Luther*, second edition, 1883) gives a good account of them (vol. I, p. 774, vol. II, p. 487 *et seq.*), and refers to them as an authority in almost every note. Thoroughly sympathetic with his subject, he feels the amiability of Luther's domestic life, though he, like the other writers on the subject, thinks he must excuse the faults of taste. Hausrath, *Luthers Leben* (new ed., 1905) must also be mentioned. Lindsay in his small but excellent work, *Luther and the German Reformation*, 1903, speaks appreciatively of the *Tischreden* (p. 293). Döllinger, *Die Reformation, ihre innere Entwicklung* (1853-1854, 3 vols.), and Denifle, *Luther und Lutherthum*, (2 vols., 1904, 1905), attack the *Tischreden* from the other standpoint, finding in them a rich source of damaging material. Seckendorf, *Historie d. Lutherthums* (German ed., 1714), gives some early reference which throw light on occasional points.

Luther's *Works* are of course the most valuable contemporary source in explaining allusions and clearing up

obscurities. The splendid edition coming out now at *Weimar* (29 vols., published 1883-1904) is the best. Walch, *Sämtliche Werke* 24 vols., 1740-1753) is good. Luther's Letters are the source most closely related to the *Tischreden*. De Wette, *Luthers Briefe* (6 vols., 1825-56), covers his whole life. Ender's *Luthers Briefwechsel* now appearing, is fuller (Vol. X. to July, 1536, 1903).

For special purposes the following works on Luther's Life or Works have been referred to:

Lingke: *Merkwürdige Reisegeschichte Luther's*, 1769.

F. S. Keil: *Merkwürdige Lebensumstände Luther's*, 1764.

Kolde: *Analecta Lutherana*, 1883. This is a collection of miscellaneous contemporary sources.

Bretschneider: *Corpus Reformatorum*, vol. 1-28, Melancthon. 1834-1860.

Kawerau: *Briefwechsel d. J. Jonas*. 2 vols, 1884-5, vol. 17 of *Geschichtsquellen d. Provinz Sachsen*.

Lösche: *Johannes Mathesius. Ein Lebens und Sittenbild aus der Reformationzeit*. 2 Bd. Gotha, 1905.

Lösche: *G. Mathesius' Ausgewählte Werke*. 4 Bd. *New Ed. Prag.*, 1904. The principle contents of this work is the "Luther Histories" which we have spoken of as a source of the *Tischreden* also.

Buchwald: *Mathesius' Predigten über Luthers Leben*, 1904, publishes them again.

Rockwell, W. W.: *Die Doppelreihe des Landgrafen Philipp von Hessen*. 1904.

Little is to be found on the literary aspect of the *Tischreden*. The Histories of German Literature (Vilmar, Scherer, Francke) ignore them. Most of the editors by way of literary appreciation indulge in a few lugubrious remarks on the coarseness to be found in them. Walch (Einl. to Bd. xxii, see *supra*) gives a short analysis of their con-

tents. Special aspects of the *Tischreden* are spoken of in the following:

Möller & Stricker: *Benignissimo Facultatis Philosophicae indultu, auctoritatem scripti, sub titulo D. Lutheri Colloquiorum Mensalium Editi, considerabunt.* 1693. This is an impossible attempt to defend the Table Talk by proving it a forgery.

Eberhard, J. E.: *Schediasma Historicum de B. D. Lutheri Colloquiis Mensalibus*, 1698, (M DC XCIIX). This tiny quaint old monograph I picked up at a second-hand bookstore. It is very eloquent and very inane.

Zincgref, J. W.: *Teutsche scharfsinnige kluge Apophthegmata*, 1628, gives a number of little stories and proverbs attributed to Luther, most of which are apocryphal.

Xanthippus: "Gute alte deutsche Sprüche." Three articles in *Preussischen Jahrbücher*, vol. 85. (July to September, 1896.) Pp. 149, 344, 503. This gives an interesting and accurate view of the influence of the *Tischreden* on German proverbial speech.

Chasle, Philarète: "La Renaissance Sensuelle; Luther, Rabelais, Skelton, Folengo," in *Revue des Deux Mondes*, Mar., 1842. This once celebrated writer sees in Luther the apostle of the movement against asceticism which he thinks preceded the Reformation.

Hereford, C. H.: *Studies in the Literary Relations of England and Germany in the 16th Century.* 1886. This author, although he says in his Preface "for us Luther is solely the author of *Ein Feste Burg*," throws some light on allusions in the *Tischreden* to contemporary German literature, as for example in his short treatment of "Grobianus and Grobianism." (Pp. 379, 380. Cf., Wrampelmeyer, no. 1738.)

Robinson, J. H.: "*The Study of the Lutheran Revolt.*" *Am. Hist. Rev.*, Jan., 1903. A critical review of recent literature on the Protestant Revolt.

Rolffs, E.: "Luthers Humor ein Stuck seiner Religion." Preussische Jahrbücher 1904, vol. 155. Pp. 468-488. Treats this side of Luther's style in an agreeable and popular manner.

Weiss, J.: *Luthers Einfluss auf die deutsche Literatur*. This author says nothing about the *Tischreden*, but is worth mentioning for his general treatment of the subject.

Schmidt, E.: "Faust und Luther." In *König. preus. Akademie der Wissenschaften zu Berlin Sitzungsberichte*, July, 1896. P. 567.

Brunet, G.: Introduction to the *Propos de Table*, gives a bright, though superficial appreciation of the subject.

The following may be mentioned as important linguistic helps in reading Luther's *Tischreden*:

Du Cange: *Glossarium mediae et infimae Latinitatis*.

Grimm: *Deutsches Wörterbuch*. Vols. I-X (to *sprechen*, 1905).

Dietz: *Luther Wörterbuch*. Vol. I, A-H. 1870.

Schmeller: *Bayrischer Wörterbuch*, bearbeitet von G. K. Fromman, München, 1877. This is the best of the dictionaries for dialectical peculiarities which often appear in Luther's speech. It is phonetically arranged, the b's and p's coming together, for example, a sensible plan as they are so freely interchangeable.

Opitz, K. E.: *Luthers Sprache*. Ein Beitrag zur geschichte des Neuhochdeutschen. 1869.

No complete bibliography of any branch of the literature can be found. For the MSS., the Introductions to Kroker, and Lösche's *Analecta*, and the article of Meyer before mentioned, supplement each other. For the editions, the lists in the Introductions of the editions of Irmischer, Walch and Förstemann-Bindseil are good for the time pre-

ceding their issue, but are not complete. One may also consult:

British Museum Catalogue; Section on Luther printed separately 1894.

Fabritius: Centifolium Lutheranium.¹

Zuchold: Bibliotheca Theologica Vol. ii.

Hinrich's Catalogues 1750 to date.

Köstlin op. cit., vol. ii., pp. 723-733.

Real-Encyclopädie. Article "Luther," more recent.

¹I have not seen this, but it is continually referred to by Irmischer and Walch, being apparently their chief source.

ERRATA.

*P. 18 line 12 for Cordatus read Cordatus*¹

P. 21 note 3 line 1 for Allegmeine read Allgemeine

P. 40 note 3 line 1 for Zellerfeld read Zellerfeld

P. 55 note 1 line 6 for p. 37 read p. 53

P. 67 note 1 for p. 54 read p. 71

P. 68 note 1 line 2 for (ed. 1889). read (ed. 1889).

P. 86 line 6 for Hutton read Hutten

P. 122 line 15 for gegben read gegeben

P. 129 lines 9 and 10 for doctrine read doctrines



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STUDIES IN HISTORY, ECONOMICS AND PUBLIC LAW

EDITED BY THE FACULTY OF POLITICAL SCIENCE OF
COLUMBIA UNIVERSITY

Volume XXVI]

[Number 3

THE TOBACCO INDUSTRY IN THE UNITED STATES

BY

MEYER JACOBSTEIN, Ph.D.

Sometime Fellow in Economics, Columbia University



New York

THE COLUMBIA UNIVERSITY PRESS

THE MACMILLAN COMPANY, AGENTS

LONDON: P. S. KING & SON

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UNITED STATES**



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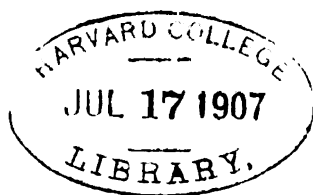
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BY

MEYER JACOBSTEIN

PREFACE

So far as the writer is aware, no broad and comprehensive study of the tobacco industry in this country has ever been made. The technical and statistical report in the United States census of 1880 is now antiquated. Mr. B. W. Arnold's investigation of the industry in Virginia covers only a small fraction of the whole field, and that only for a short period.¹ The best work on the technical aspect of the industry was written by Killibrew and Myrick.² What is lacking is a general study of the historical development of the industry as a whole, and an analysis of some of the special internal problems, of interest not merely to the planter or the manufacturer but to the economist and economic historian.

In view of the great influence of the tobacco industry on our colonial development, as well as the magnitude of the industry to-day, no apology need be offered for such a study. Up to the close of the eighteenth century tobacco was the chief commercial crop of the South, and was the second in importance of all our exports. Our country has remained to this day the largest tobacco-growing country in the world. We supply not only ourselves with the leaf, but European markets as well. No small part of

¹ Published as a dissertation in Johns Hopkins University *Studies in Historical and Political Science*, vol. xv, 1897.

² *Tobacco Leaf*, by J. B. Killibrew and Herbert Myrick, 1903, published by Orange Judd Company. It is a hand-book of methods of cultivation, curing, packing, etc.

our national economic energy is employed in this industry. To trace its development from the earliest Virginia plantation to the modern gigantic Trust is one of the aims of this investigation and research.

The writer, however, has not confined himself to a mere study in economic history. The continuity and evolutionary development of the industry are regarded only in so far as they do not sacrifice his second purpose, namely, to present, in an intensive way, an analysis of the interesting features of the organization of the industry as it exists to-day. In pursuing this second purpose, the study should appeal most to those economists who are interested in the actual structure and organization of our industrial society as we see it and live in it to-day. Looked at in this light, it is a study of a typical unit or atom of a larger system, and hence may serve as a concrete contribution to an inductive economics.

The author is indebted to Mr. G. W. Perkins, E. Lewis Evans, and H. W. Riley for kindly supplying him with information concerning labor unions in the tobacco industry. To Mr. M. W. Diffly he is grateful for the material furnished concerning the problems of the retailer. For some important data regarding the economic conditions of the Southern planter the author is gratefully indebted to Mr. L. S. Thomas, Martinsville, Va. But the writer is under special obligation to Professors E. R. A. Seligman, H. R. Seager and H. L. Moore for their valuable criticisms and suggestions while the dissertation was in progress, as well as for their assistance in revising the manuscript and the proof.

MEYER JACOBSTEIN.

COLUMBIA UNIVERSITY, *May*, 1907.

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PART I.—HISTORICAL SURVEY

CHAPTER I

THE COLONIAL PERIOD

INTO the antiquities of tobacco, its origin and religious significance, it is not our purpose to enter. Our story begins with its introduction into Europe as a commercial crop, about the middle of the sixteenth century.¹ Spanish merchants brought it into Europe from the West Indies. A European market for tobacco had therefore existed for about fifty years before permanent English settlements were made in America. At the opening of the seventeenth century its sale in England was large enough to arouse anxiety among the Bullionists, who hated to see the precious metals leaving the country in exchange for a "worthless weed." In order to check its consumption, Parliament increased the import tax on tobacco from two pence to six shillings ten pence per pound.² That the tobacco trade had gained some importance at this early date may be inferred from the fact that by 1601 some individuals thought it worth while to buy a monopoly on the manufacture and sale of tobacco pipes.³ It remained for the American colonists

¹ It is reported that tobacco was first brought into Europe via Portugal by Spanish merchants in the year 1558. Jean Nicot, the French minister at Lisbon, introduced the commodity into France.

² Hazard's *Collection*, pp. 49-50.

³ *Parliamentary History*, 43 *Elizabeth*, 1601.

to take advantage of the existing market and develop it still further.

Fortunately for the colonists, there were economic and political forces at work abroad coöperating with their own efforts to capture and develop the market. England's practical commercial policy laid emphasis on the necessity of having a favorable balance of trade, in order to prevent too much bullion from flowing out of the country. The House of Commons voted unanimously (1620) "that the importation of Spanish tobacco is one of the causes of want of money within the kingdom."¹ Therefore, when it was learned that tobacco could be grown in the Anglo-American colonies, Parliament² decided to cut off the importation of Spanish tobacco, which, in 1621, amounted to £60,000. In 1621 Parliament enacted a law practically prohibiting the importation of foreign tobacco by levying discriminating duties in favor of colonial tobacco and against all foreign tobacco. This preferential tariff remained in vogue during the entire colonial period, and was one important factor in the building up of the tobacco industry on this continent.

A second cause operating in favor of the American colonies was the general English colonial policy, which had as one of its aims the development of colonial natural resources, while at the same time, creating a colonial market for the home manufactures in the colonies.

¹ 13th March, 18 James I.

² *Parliamentary History*, pp. 1196, 1197; 19 James I. Mr. Edwin Sandys, arguing the case of the Bullionists, figured that England really lost £120,000 through importation of Spanish tobacco. For, he argued, not only did £60,000 go out of the kingdom but that £60,000 would come into the kingdom, if the colonies raised the tobacco, from the sale of the latter in European markets.

While closely akin to the Bullionist policy, the Colonial program was quite distinct, and operated long after the former was discarded. Speaking of the discriminating duty on foreign tobacco, Chalmers says, this is "the first instance of the modern policy of promoting the importation of the commodities of the colonies in preference to the production of foreign nations."¹ This policy was further re-enforced by prohibiting the cultivation of tobacco in the home country and in Ireland.² In 1652, for instance, we find the following significant passage: "Whereas divers great quantities of tobacco have been of late years and now are planted in divers parts of this nation tending to the decay of husbandry and tillage, the prejudice and hindrance of the English plantations abroad and the trading and commerce and navigation and shipping of this nation" and so forth.³ Therefore a penalty was laid upon home cultivation of tobacco. The chief tobacco-growing counties of England, Gloucestershire and Worcester, offered resistance to this prohibition but finally gave in. Though no great sacrifice was entailed, since England's soil was not adapted to tobacco culture, the mere existence of the statutes indicates the consistency with which English statesmen pushed this colonial policy. Later developments of the tobacco trade fully justified England's policy, for she not only was able to import from her American colonies sufficient tobacco for home consump-

¹ Chalmer's *Annals*, p. 51.

² 12 Chas. II, c. 34; also 22-23 Chas. II, c. 26.

³ Prohibited by 12 Charles II, c. 34 and 15 Charles II, c. 7. Same prohibition extended to Ireland in 1660, and to Scotland by act of 22 Geo. III, c. 73. Ireland was again granted permission to grow tobacco in 1779, but lost that privilege again in 1831 (1 and 2 William IV, c. 13). There are still restrictions to-day on its cultivation in Ireland.

tion, but profited greatly by supplying Europe with her surplus.

Nor was the King himself disinterested in the expansion of the tobacco trade. For in spite of his "Counter-blaste" against the use of tobacco, King James I was not opposed to increasing his income by the sale of a monopoly in the trading of tobacco. Under the pretense that a monopoly enjoyed by a few individuals would check the consumption of tobacco, the King was able to harmonize his moral repulsion to tobacco with personal financial gain. In 1621 the patent yielded James I annually as much as £16,000.¹ Out of deference to a protest from Virginia planters against the abuse of the Tobacco Monopoly, the patent was withdrawn in 1621, but again farmed out in 1625.² The farmers of the customs demanded a tax of one shilling on each pound of tobacco imported into England. The colonists denounced this as a violation of their charter rights, which provided for a tax of only five per cent on all imported goods, and maintained that the monopoly granted to the "Farmers of Revenue" was equivalent to an additional and illegal tax. The Virginia Company fought so stubbornly against the monopoly that the King yielded and finally withdrew all monopoly rights from the "Farmers of Revenue."³

If it was to the King's interest to have the tobacco trade grow, since the value of the monopoly privilege varied directly with the extent of the business done, all the more so was it to the interest of the Virginia Company to encourage it. The financial success of these

¹ 19 James I, 1621.

² Hazard's *Collection*, pp. 224-225; also Chalmers' *Annals*, p. 128.

³ Cf. Chalmers' *Annals*, p. 46, for struggle between the Virginia Company and the "Farmers of Revenue."

colonizing companies depended upon the development of the natural resources. In the first charter of Virginia (1606) the London Company was allowed to impose a tax of two and one-half per cent. and five per cent. on all goods "trafficked bought or sold" by English citizens or foreigners respectively. It was by no mere coincidence that the Virginia Company was always back of legislation that shut out foreign goods from England's market whenever Virginia's products could be substituted. Mr. Sandys, who was instrumental in pushing through this legislation, especially the prohibitory act of 1624, was the first treasurer of the Virginia Company. Economic self-interest reflected itself there as it does now in governmental policy. Prosperity in Virginia meant a greater demand for land, and a corresponding increase in quit-rents for the individual stockholders of the company. No small part of the company's profits came from trading, which in turn increased with the development of tobacco cultivation. Hence the Virginia Company was also a factor in the upbuilding of this industry in America.

Thus far, we have spoken only of what might be termed the external conditions that favored the cultivation of tobacco in the American colonies: first, the national financial policy, or Bullionist theory, desiring to check the exportation of bullion by prohibiting the importation of Spanish tobacco, thus creating a home market for colonial tobacco; second, the general colonial policy of encouraging the importation of raw material from the colonies, and exporting to them finished products, while at the same time, increasing the carrying trade for English ships; third, the increase in the King's revenues through the sale of tobacco monopolies; and fourth, the interest of the Virginia Company in booming

land values, as well as in the direct profits resulting from the trade that was formerly in the hands of Spanish merchants who brought tobacco from the West Indies. All these forces combined to give the first impetus to tobacco cultivation in the American colonies.

We turn now to the more fundamental, internal causes, without which the above encouragements would have been in vain. First, and most essential, comes the soil. Southern soil was rich, fertile and plentiful, and favorably situated for tobacco cultivation. Flat river land with its rich, black mould was just the kind needed for this crop. And the situation of vast stretches of this fertile land along navigable streams in Virginia and Maryland, eliminated the expenses of inland transportation, which in those days were very heavy. Concerning the adaptability of the soil for tobacco, we have Captain John Smith's testimony before the Royal Commission; when asked why Virginia did not grow wheat instead of tobacco, he replied that a man's labor in tobacco cultivation was worth six times that in raising wheat. In his day wheat sold for two shillings six pence per bushel, tobacco for three shillings per pound, or, in terms of labor value, £10 for grain, £60 for tobacco, a ratio of 1:6 in favor of tobacco. One reason for the relative profitableness of tobacco culture was this: wheat was more of an extensive crop, requiring greater area than tobacco, which was always, relative to wheat, an intensive crop. To clear land in those days was an expensive undertaking, especially before slave labor was utilized. Fresh and newly-cleared land was highly productive for tobacco, and so we find that only the abandoned tobacco fields were given up to wheat or corn cultivation.¹ Cot-

¹ *American Husbandry*, vol. i, chap. 15.

ton production was not resorted to until there was an overproduction of tobacco, in 1660. More than once the English Kings attempted to persuade the colonists to grow grain instead of tobacco. So also, colonial legislation sought the same end, but artificial barriers could not overcome nature's predilection for tobacco. Without this fertile soil, favorably situated, the external encouragements, above enumerated, would have been fruitless.

It is commonly believed that the profits of tobacco cultivation were depended on slave labor. This was certainly not true for the planters prior to 1619, since before that date there were no slaves in Virginia. The tobacco crop, however, in that year was a large one.¹ For the first fifty years or more white indented or apprentice labor was more important than slave labor. As late as 1671 there were in Virginia three white indented apprentices to one negro slave, or six thousand of the former to two thousand of the latter, out of a total population of forty thousand.* When, however, the white servant labor was cut off by the increasing demand for it in those mechanical trades requiring skill, both in England and in the colonies, then cheap negro labor was a boon to the tobacco planter. So it may be said that, while the cultivation of tobacco did not in the first instance depend upon slave labor, its expansion in the eighteenth century did rest upon it. It was a fortunate coincidence for the American planter that as white labor became scarcer and dearer, negro slave labor became more plentiful and cheaper.

¹ Estimated at 20,000 lbs.

* According to census taken by Gov. Berkely, 1671; see Hening's *Statutes of Virginia—Statutes at Large*, vol. ii, p. 515.

We can not agree with those "abolitionists" and economists who maintained that the Southern planter was working against his best economic interests by employing slave instead of free white labor. The relative value, as a source of income to the large plantation owner, was on the side of the negro slave. The following table represents, in brief, the profits derived from the exploitation of slave labor:¹

Annual Outlay.		Annual Return.	
1. Interest on capital invested in slaves (£50)	£2 10s.	1. Two hghds. tobacco	£16
2. Interest on farm capital required per slave	£2	2. Corn, etc.	£4
3. Living expense of slave	£3		
Total cost	£7 10s.	Total	£20
Net profit, £12 10s. per year per slave.			

The net cost per slave of seven pounds ten shillings represented an investment of about one hundred pounds. The income of twenty pounds was, therefore, equivalent to twenty per cent. profit on the total capital investment, less the sum necessary to replace the fund. Just prior to the Revolutionary War the cost of maintaining a slave, seven pounds ten shillings, was low compared with the cost of a free worker per year, which was about twenty pounds (at the rate of one shilling six pence per day). As the opportunities for white labor increased with the industrial progress of the country the difference became still greater. We do not mean to maintain that the existence of tobacco cultivation was conditioned by slave labor for, as we pointed out above, cultivation had flourished before slave labor was important, and it has certainly flourished

¹ *American Husbandry*, vol. i, pp. 229, 233-234.

since the abolition of slavery. Slavery was merely a more lucrative means of exploiting the wealth of a rich and fertile soil. What cheap slave labor did do was to lower the cost of production and thereby cheapen the price of tobacco to the consumer, which in turn stimulated further consumption and cultivation. It may fairly be said that the consumer profited by this slave labor quite as much as, if not more than, the planter and landlord.

The unscientific method of cultivating tobacco, under the one-crop system, did not require more skill than the negro possessed. The planter, moreover, could not always depend on hired labor during the busy season, so that the slave labor was again an advantage over the hired help. Permanent possession of slave labor made possible constant employment throughout the year, especially where forests had to be cleared for further extension of arable land. In the manufacture of garments and the preparation of foods for plantation consumption also, the slave was serviceable. After the tobacco crop was harvested and prepared for shipment, the labor power of the slave was directed and utilized in these secondary occupations.

As the fertility of the Southern soil made the exploitation of slave labor profitable in the South, so the lack of it in the Northern colonies explains the slight development of slavery there. A number of attempts were made to grow tobacco in Massachusetts and Connecticut, as well as in New York and Pennsylvania, but they failed to produce a crop which could compete with the Southern leaf. As late as 1801 the entire New England crop was estimated at only twenty thousand pounds, or the amount which Virginia exported in 1620. Early Massachusetts records show that experiments were made to grow tobacco, but were soon abandoned as being unprofi-

table. In 1629, for instance, occurs the following statement: "For we find here by late experiences that it (tobacco) doth hardly produce the freight and customs duty."¹

Along with poor soil came legal enactments, for moral reasons, against the production and consumption of tobacco in the New England colonies. Buying and selling tobacco was prohibited by law, and in some places a high sumptuary tax was levied on tobacco. All these regulations were only of secondary importance in preventing the energies of the Northern colonists from being directed to the cultivation of tobacco. As early as 1646 New Amsterdam settlers turned their attention to tobacco cultivation, but soon gave it up on account of lack of fertile soil.* In 1689 Pennsylvania attempted to grow tobacco, but failed for the same reason. The recent development of the industry in the Northern states begins about 1825, subsequent to the introduction of cigars and cigar leaf. But even in the cultivation of this cigar leaf, the Northern soil has to be nourished by a rich and expensive fertilizer. In the absence of the fertilizer in colonial days, Northern soil was not fitted for the tobacco crop.

We shall turn our attention next to the internal development of the industry in those colonies where it flourished most, Virginia and Maryland. In Virginia the tobacco crop and its value were the barometer that measured the material prosperity of the colony. Throughout the whole colonial period, tobacco was the chief and almost exclusive commercial crop of Virginia. In 1671

¹ *Colonial Records of Massachusetts* (compiled by N. B. Shurtleff), pp. 101, 180, 242, 388. *Ibid.*, index, "Tobacco."

² Cf. *Long Island Historical Society Records*, vol. i, 1679-1680; cf. also *American Husbandry*, vol. i, chapters 8-12.

Governor Berkely wrote in his census concerning the production of commodities, "Commodities of the growth of our country we never had any but tobacco."¹ Eighty ships came annually from England to carry tobacco to England and the continent. At this time the exportation of tobacco amounted to about 1,500,000 pounds. Just prior to the French and Indian (Seven Years) War, in 1753, export figures reached 53,862,300 pounds. A large part of the laws enacted by the Assembly, as well as many of the proclamations of the governors, are concerned with the production and sale of tobacco.

Over-production seems to have been a constant source of trouble for the Virginia planters. To check this, as well as to prevent the fall in price, numerous acts were passed by the Assembly. Prices fell from three shillings per pound in 1620, to three pence per pound in 1640. During this period, not only did the Assembly fix the price of tobacco in terms of English money, but it also fixed the price of other commodities in terms of tobacco.* Finding that the fixing of prices failed to remedy matters, the government tried other means of state regulation. It attempted to limit the supply by fixing the maximum number of pounds each planter could produce per cultivator employed.³ Another method resorted to in order to increase prices, was the destruction, by government inspectors, of the poor grades of leaf. Finally, the condition of the market was so bad, and the debts of planters so high, that the Virginia Assembly declared all debts could be legally cancelled upon payment of forty per

¹ Cf. Henning, *Statutes of Virginia*, vol. ii, p. 514.

² *Ibid.*, vol. i, pp. 162, 188. Cf. also Burk's *History of Virginia*, vol. ii, appendix, xxvii.

³ *Ibid.*, i, pp. 142, 152, 164, 188.

cent (forty cents on the dollar) in terms of tobacco, the price of which was already fixed by law.¹

Having secured only temporary relief by enactments directly regulating tobacco, indirect means were resorted to. Colonial authorities, as well as Parliament, tried to induce the colonists to substitute other crops for tobacco. Flax, hemp, cotton and silk were tried but these yielded an inadequate return.² Even shipbuilding and trading were resorted to, but these also proved poor substitutes. The trouble with all these artificial regulations was, as the colonists themselves saw, that Maryland was able to increase her output when Virginia attempted to curtail her own. And when selling prices were fixed too high, English merchants would buy of Maryland. Besides, Spanish and Dutch traders were bringing tobacco from the West Indies to the continent. Virginia planters tried to get Maryland planters to agree to some plan whereby prices could be controlled. It was suggested that in years following heavy crops all production should cease in both colonies. Owing to mutual suspicion this plan, tried in 1666-1667, fell through. The poor farmers of Maryland, said Lord Baltimore, could not stand a year's cessation of crops, especially since their farms were mortgaged.³ It should be added that, had the plan succeeded, Lord Baltimore would have suffered a loss in his revenues which came from tobacco export duties and a tobacco poll tax.

The statistics of production and prices for this colonial period are not complete nor always reliable. From gov-

¹ Hening, i, pp. 204, 205.

² Beverley's *History of Virginia*, pt. ii, c. 2, p. 233.

³ Cf. *Archives of Maryland; Maryland Historical Society*, pp. 5-9, 15-20, 352 (years 1666-1668).

ernment figures as well as from the colonial statutes we have been able to compile the following table :

PRODUCTION.		PRICE.	
Year.	Pounds.	Year.	Per pound.
1619	20,000	1619	3s.
1620	40,000	1620	(not known)
1621	55,000	1621	(not known)
1622	60,000	1622	(not known)
1628	500,000	1628	3d.
1639	1,500,000	1631	6d.
1641	1,300,000	1640	12d.
1688	18,157,000	1645	1½d.
1745	38,275,000	1665	1d.
1753	53,862,000	1690	2d.
1758	22,050,000	1722	¾d.
		1753	2d.
		1763	2d.

During this period of unsteady crops and over-production, resulting in violent price fluctuations, the colonists charged the home government and English merchants with being partly responsible for the depression in trade. In 1732 the Virginia Assembly embodied the protests of the planters in a petition¹ which was published and sent to the King of England. Among other things, the government is charged with imposing too high a tariff on tobacco imported into England, and the merchant is accused of charging too high commission rates. The planters also claimed that the great amount of smuggling of tobacco into England via Scotland depressed prices in England, and hence depressed the price at which it had to be sold in Virginia to English merchants. The colonists were not permitted to export their tobacco direct

¹ *The Case of the Planters of Tobacco in Virginia as Represented by Themselves, President of the Council and Burgesses, etc.* The Virginia planters laid stress upon the practice of smuggling, which was investigated by a Parliament commission.

to Europe, for the Navigation acts¹ required all shipments to be made in English vessels to England, where it was taxed before going to the continent.² As tobacco was among the "enumerated" articles, it had to be sold to English traders, who often agreed among themselves to depress prices. Had the entire market been open to the American planter, there would have been some relief for him. For according to Chalmer, about two-thirds of the entire crop was re-shipped from England to the continent.³ Adam Smith puts the figure still higher. According to Smith, "about ninety-six thousand hogsheads of tobacco are annually purchased in Virginia and Maryland with a part of the surplus produce of British industry. The demand of Great Britain does not require, perhaps, more than fourteen thousand hogsheads."⁴ The American planter not only suffered from the low price at which he sold his tobacco, but from the correspondingly high prices he was forced to pay for the goods he received in exchange for tobacco. On the continent, furthermore, consumption was cut down by the high price of tobacco, fixed arbitrarily by the Farmers of Revenue. This was especially true in France,⁵ where tobacco was subject to monopoly throughout the eighteenth century. The cutting down of general con-

¹ Navigation acts affecting tobacco were practically in force as early as 1621. In 1624 all goods had to be carried in English ships, but it was not until the Parliamentary acts of 1651 and 1660 that this was effectively enforced.

² Drawbacks, however, were allowed on tobacco re-exported from England.

³ Chalmer's *Annals*, p. 53.

⁴ Cf. *Wealth of Nations*, chapter on "Different Employment of Capital."

⁵ Cf. Arthur Young's *Present State of France*, p. 89, letter iv; also Stourm's *Le Budget*, i, p. 361.

sumption by government regulations and monopoly was, and still is, a constant source of complaint on the part of the tobacco planter.

Two special institutions, which were closely bound up with the colonial history of Virginia, the financial system and the system of land tenure, merit particular attention, inasmuch, as they rested upon, and were shaped by, the conditions of tobacco cultivation. First, as regards the financial system. Virginia did not originally and arbitrarily fix upon tobacco as a medium of exchange or as a basis of currency. Tobacco came later to hold this position, as a result of the frequent fixing of the price of tobacco. And since tobacco was the chief commercial crop, the commodities came to be reckoned in terms of tobacco. This led to the use of tobacco notes, both specific and general, which were given at the government warehouse when tobacco was stored there. The specific note called for a certain number of pounds of tobacco, of a given quality and of a given crop; whereas, the general note called for a number of pounds of tobacco of a certain grade of any crop.¹ Coin was scarce, but this entailed no great hardships, for in Virginia the plantation was usually self-sufficing and its economic life only called for few barter exchanges.² When we recall, however, the constant fluctuation in the price of tobacco, we can imagine what a clumsy and inefficient currency tobacco must have been. A tobacco note issued one year might lose half its value by a fall in the price of tobacco the following year.

The close relation existing between social institutions

¹ See Ripley's *Financial History of Virginia*, pp. 119-124.

² A vivid description of this domestic plantation economy is found in the *American Husbandry*, vol. i, pp. 226 *et seq.*

and the purely technical economic conditions, as illustrated by the currency system of colonial Virginia, is shown even more strikingly in the case of land tenure. As already hinted, the method of cultivation in the South was a capitalistic one, based on the profitableness of the plantation system, and later upon slave labor. Large estates were necessary, for tobacco was then, as now, a very exhausting crop, and hence the planter had to have an abundance of fresh land to which he could extend his cultivation. The large estate was again found profitable as a means of keeping slave labor continually employed. Hence, attached to a tobacco plantation was pasture land for cattle as well as strips of land set aside for other crops, such as grain, for plantation consumption. In a word, the cultivation of tobacco was directly responsible for the large plantation system with the accompanying opportunity for the exploitation of slave labor. A large plantation unscientifically and extensively cultivated by cheap slave labor, was more profitable than a small farm cultivated intensively by free but dear labor.¹ Along river fronts, five thousand acre plantations were quite common.* It was the desire to preserve intact these large estates that accounts for the institution of primogeniture in the South throughout the colonial period.

The direct and indirect effect of the tobacco industry upon other social institutions must be passed by with a brief notice. Politically, the large plantation is responsible for a representative rather than a democratic government in the southern colonies; for it was inconvenient for settlers widely scattered, as a result of the large planta-

¹ Cf. *American Husbandry*, vol. i, pp. 230-231.

* Cf. Bruce's *Economic History of Virginia*, vol. ii, pp. 253-255.

tion system, to come together as was the case in the town meeting of the New England colonies. On the fiscal side, it might be shown how the particular methods of raising revenues were resorted to because of the existence and importance of the tobacco industry.¹ The chief revenues came from an export duty and a poll tax; the export tax, besides being easily collected, was lucrative because so large a part of the chief crop of tobacco was exported. The ease with which it could be collected, and the difficulty of concealing the commodity in attempting to escape taxation, partly explains also the wide use of taxes on tobacco by the European government.² The poll tax was used because it was simple in its operation, and because it seemed a fairly just method of distributing the tax burden, inasmuch as a man's wealth was usually in proportion to the number of slaves he owned. Amount of rents, official salaries, ministers' fees, *et cetera*, were always payable in terms of tobacco. The extensive method of cultivation forced the colonists to seek new lands, and hence the westward expansion. In a word, the social and political history of Virginia is unintelligible apart from its economic background, the center of which was the cultivation of tobacco.

Next to Virginia in the cultivation of tobacco came Maryland. Into its detailed history we cannot enter, nor would it be profitable to do so, since in many important respects it merely repeats that of Virginia. As in Virginia, so in Maryland, it was early discovered that the fertile soil was well adapted to the cultivation of tobacco,

¹ For the relation between the tobacco industry and taxation, *cf.* Henning's *Statutes of Virginia*, vol. i, pp. 148, 226; also *cf.* Beverley's *History of Virginia*, bk. iv, c. iv.

² *Cf.* Adam Smith's *Wealth of Nations*, bk. i, c. xi, on Rent of Land, *passim*.

and it soon came to be the chief commercial crop. Government regulation was resorted to, as in Virginia, to maintain prices; It was frequently used as a medium of exchange.¹ It was the fear lest Maryland should become a strong competitor that influenced the Virginia tobacco planters to oppose the granting of a charter by the King to Lord Baltimore. Although it never reached the dimensions of Virginia's cultivation, Maryland's tobacco exports came to be about one-fourth of the total colonial export trade.

North Carolina also took to raising tobacco at an early date. By 1775 its export trade amounted to eighty thousand dollars, or about twenty per cent of her total exports. It was not, however, until 1850 that tobacco assumed special significance in North Carolina, the explanation of which will be given in another chapter.

At the outbreak of the American Revolution, tobacco was second on our list of exports in value, reaching in 1775 over one hundred million pounds, or about four million dollars. This product alone represented over seventy-five per cent. of the total value of goods exported from Virginia and Maryland.² As a result of our independence, over seventy-five per cent. of this tobacco was carried directly to the continent, no longer exclusively in English vessels or by English merchants, but by Dutch and French ships as well. England's revenues from her impost on tobacco was a handsome one. The tariff rates were very high, averaging from two hundred per cent to four hundred per cent *ad valorem* duty. As early as 1686 with a duty of four and three quarter pence per pound, (the price of tobacco being about two pence)

¹ Cf. Bozman's *History of Maryland*, vol. ii, pp. 78-79.

² Cf. *American Husbandry*, i, pp. 256-347.

she received from this source exclusively about two million dollars.¹ In 1764 the Crown of England thought it worth while to pay three hundred and fifty thousand dollars for the seignorial right over the Isle of Man to prevent smuggling into England via that place.² In 1700 it reached three millions five hundred thousand dollars. So far as the revenue on tobacco consumed in England is concerned, England lost nothing by our independence. Social wealth, however, she did lose by the shifting of trade profits from the pockets of English merchants to Continental merchants. The tobacco trade of Glasgow, which had been the leading tobacco center of the world, was ruined.³

The reader will have observed that nothing has been said thus far concerning the manufacture of tobacco. Our trade in manufactured tobacco during colonial times was a negligible quantity. We exported the raw leaf, which was afterwards manufactured abroad, not only for foreign use, but often for re-exportation to our shores. Consumption, however, in our country was not very heavy, and the products used required very simple manufacturing processes. Snuff and pipe tobacco were the principal forms of the finished product consumed. For this purpose the tobacco needed only to be ground up into a powder, or else cut up into small flakes, much as our present day pipe tobacco is prepared. There were two distinct types:⁴ a "sweet scented," more expensive tobacco grown in Virginia; and the "Oronoko," a

¹ Cf. Parliament document *Accounts and Papers*, 1898, *Customs and Tariffs*, p. 185.

² *Ibid.*, p. 183. A historical sketch of the English tobacco tax is found in Stephen McDowell's *History of Taxation and Taxes in England*.

³ McDowell's *History of Taxation and Taxes in England*, p. 256.

⁴ *American Husbandry*, i, pp. 224, 225.

strong and cheaper type grown in Maryland in the Chesapeake Bay region. The more expensive type was consumed in Great Britain and at home; while the cheaper type went to Continental Europe. This is practically the distribution of our crop to-day.

Before passing to the next chapter, let us summarize the preceding sketch of the colonial period and indicate its chief lines of development. The tobacco industry received its first stimulus from external forces, chiefly the general English colonial policy, which encouraged and assisted the development of the natural resources of the colonies, and, to a lesser degree, the Bullionist financial and commercial policy which saw in the substitution of American colonial tobacco for Spanish tobacco one means of checking the exportation of silver bullion. Both of these forces, together with the economic self-interest of the King and the Virginia Company, reserved for the American planters the English tobacco market by differential tariffs; while at the same time the European markets were captured through the activity of English merchants and traders. The internal conditions upon which the progress of the industry depended were, first, an abundance of fertile land favorably situated, and, secondly, cheap slave labor. In turn, the magnitude of the industry with its plantation system and extensive methods of cultivation, reacted upon, and helped in shaping, many of the important social institutions as, for instance, land tenure, slavery, methods of taxation and financial systems. So close was this interdependence of social institutions and the tobacco industry that Chalmer is led to believe that "the story of tobacco would contain almost all the politics of the southern colonies of that age."¹ It was the tobacco industry which first

¹ Chalmer's *Annals*, i, p. 129.

helped to determine for the South its chief characteristics, an agricultural community with rich landlords on top and slave labor at the bottom. The social as well as economic structure of the South was fixed long before cotton became king. The colonial period closed with the Southern colonies supplying the world with leaf tobacco, a position which the South still holds to this day.

CHAPTER II

(1776-1860)

IN the preceding chapter we have seen how tobacco came to be the chief, and almost exclusive, commercial crop of the leading Southern colonies. One-half of all the colonists in America secured their livelihood from the cultivation and sale of tobacco; and the earliest of the large fortunes in our country, namely those acquired by the landed aristocracy of the South, were founded on this exploitation of tobacco land and slave labor. One of the noteworthy incidents in this colonial period was the very rapid development that characterized the industry. In the period from 1775 to 1860 we shall see that forces came into play to check the rate of progress and to hold the production of tobacco almost stationary up to 1850; we shall learn how, in the decade from 1850 to 1860, a revival took place, how tobacco relinquished its position to cotton as the staple crop of the South and how, in the course of development, the manufacture of tobacco took root in this country. During this period, the tobacco industry did not keep pace with the progress made by the other industries, for reasons which will appear presently.

Four distinct causes operated to check the cultivation of tobacco in this country; war, the commercial policies of European countries, the revenue systems of foreign countries, and the increasing importance of cotton production. First came the disturbances occasioned by the

American Revolution, arising not only because our efforts were diverted from peaceful pursuits, but because our commerce with England, as with the rest of Europe, was crippled. It must be remembered that England was the chief buyer of our products, and war with her meant a cessation of trade. Consequently the tobacco trade suffered. Prior to the war our annual tobacco exports amounted to one hundred million pounds, whereas the average during the war was only about fifteen million pounds. It was not until 1787 that our exports approximated the pre-Revolution figures. This temporary loss of trade had a permanent effect, namely, in forcing European countries to seek their tobacco supply elsewhere. This they effected in two ways, first by encouraging growth at home, and secondly by importing tobacco from the Spanish West Indies and the Dutch East Indies. Both have continued to be competitors for the market. A similar effect was produced by the War of 1812, during which our trade was almost annihilated. The normal annual exportation of eighty thousand hogsheads fell to five thousand in 1813, and to three thousand in 1814. It was too hazardous to ship a load of tobacco, since it might easily fall a prey to an English man-of-war. Here again, the important fact was not merely the temporary loss of a few crops, but the permanent effect in giving encouragement to other than American growers of tobacco. In the twenty year period following the war (1815-1835) our exports averaged about one hundred million pounds, which really implied a retrogression in view of the augmented consumption, arising from an increased population, at home and abroad. Cuba, Colombia (S. A.), and Sumatra became active competitors, as did also some European countries, Austria, Germany and Italy.

Our foreign commerce, however, might not have suffered permanently from these war disturbances, had not the commercial policies of European countries operated in the same direction. The Napoleonic wars for a long time closed European markets to our products. The damage to our trade and commerce resulting from the Berlin and Milan Decrees, the Orders in Council and our own Embargo, is a matter of history. Our tobacco trade suffered along with the others. In 1808 our exports fell from 62,000,000 hogsheads to 9,576 hogsheads of leaf. Manufactured tobacco exports were similarly effected.¹

Moreover, these Napoleonic wars burdened European governments, especially England and France, with heavy public debts. To wipe out these debts, import duties were greatly increased on all products partaking of the character of luxuries, including tobacco. The tobacco tax had always been considered a lucrative as well as a justifiable one. These increased duties raised the prices of tobacco to the consumer proportionately, thereby cutting down consumption, or at least checking its rate of increase. The falling off of our exports in the period subsequent to the Napoleonic wars was no doubt partly due to this factor.² In England, for instance, the tax was raised in 1815 on imported tobacco, from twenty-eight cents per pound to seventy-five cents per pound. This brought the duty up to nine hundred per cent *ad valorem*. England's consumption consequently fell from twenty-two million to fifteen million pounds.³

¹ Cf. *U. S. Census*, 1880, special report on "Manufactures of Tobacco," pp. 38, 46.

² Prior to 1815 our exports reached 110,000,000 hogsheads, whereas from 1815-1840 the average was about 85,000,000 hogsheads. Cf. *U. S. Census*, 1880, p. 38.

³ See in *English Parliamentary Documents*, "Accounts and Papers,"

The English duties were so high that a special committee was appointed by Parliament to investigate the disturbed conditions of trade resulting from the increased tax.¹ This committee reported that the prices of tobacco were so high that smuggling and adulteration of tobacco were made very profitable. The American Chamber of Commerce of Liverpool presented a petition to the committee requesting a reduction of duties on tobacco, on the ground that consumption, and hence trade, would increase for England and the United States.² This Parliamentary investigation committee declared its belief that "the annals of taxation do not exhibit an instance of such a heavy impost in any country as the present duty on tobacco." (Nine hundred per cent *ad valorem*.) The like was true, though not to the same extent, in France, Austria, Spain and Italy, where the "Régie" was in vogue, and the government fixed prices arbitrarily. In our own country the best snuff or manufactured tobacco could be bought at retail in 1840, for twenty-five cents per pound; whereas, the price in England was seventy-five cents per pound for snuff and forty-five for manufactured tobacco; and in France the retail price was thirty-five cents per pound for the ordinary tobacco of both kinds used.

These high duties not only checked per capita consumption, but stimulated further production in European countries, since the farmer was protected from American

"Customs and Tariffs" (1898), p. 38. These figures, however, are in part vitiated by the great amount of smuggling which resulted directly from the increased duty.

¹ "Report from a Select Committee on the Tobacco Trade," report 565, year 1844, *Parliamentary Documents*.

² *Ibid.*, pp. 95-97.

competition. At the close of the eighteenth century, tobacco cultivation was almost unknown in European countries. By 1841, however, the total production of Europe had reached 136,680,000 pounds, which was about sixty per cent of our own crop, 219,000,000 lbs., in 1840.¹ The competition in the leaf market from non-European markets came from Cuba, Colombia, Porto Rico and the East Indies.* The general relation between taxation and consumption will be treated in detail in another connection.

More important than any or all of the above checks and discouragements to our tobacco trade, was the rising importance of cotton culture in our Southern states. The low price of cotton goods, effected by a cheapening in the cost of producing the raw material as well as the finished products, through technical improvements, led to an increased demand for cotton and hence for cotton land. Not only was there a demand for land but for slave labor as well, for the profits of cotton culture were more alluring than those of tobacco cultivation. Cotton culture affected in this double way the cost of producing tobacco: for an increase in land values meant a rise in rents, and an increase in the value of slave labor meant a higher cost in wages necessary for tobacco pro-

¹ *European Production of Leaf in 1844:*

Germany	40,000,000 lbs.
Austria	35,000,000 lbs.
France	26,000,000 lbs.
Russia	21,000,000 lbs.

² *Imports into England in 1841:*

From United States	34,628,000
From Colombia	785,000
From East Indies	223,347
From Cuba	259,702
From Porto Rico	146,000

duction. Unless the price of tobacco rose, cultivation would cease on some lands. Not only were uncultivated fields, bought originally for tobacco production, given over to cotton culture, but tobacco plantations were converted into cotton fields. In 1790 cotton exports were valued at five hundred thousand dollars, in 1800 at eleven million dollars. From that year cotton cultivation has gone on rapidly and has displaced tobacco as the chief crop of the South.

But while the industry itself suffered from this growing importance of the cotton crop, the owners of tobacco plantations and slave owners profited directly by the change. They suddenly found that the value of their land and slaves had doubled.¹ It should be remembered that the system of cultivation on plantations and by slave labor, originated and developed under tobacco cultivation, was taken over by cotton growers. Since the profitableness of the system had been demonstrated in the one case, why should it not prove so in the other?

Other forces, however, were at work counteracting the effect of these discouraging influences. Not only had population increased, and with it the demand for tobacco, but the general command over purchasing power in all commodities had risen during this period of prosperity. This was certainly true of our American society, if not of Europe. Moreover, consumption was directly stimulated

¹ According to W. B. Phillips the value of slaves was as follows:

1773-1790	\$300 per capita.
1800.....	\$450 per capita.
1809.....	\$600 per capita.
1837.....	\$1,300 per capita.
1860.....	\$1,800 per capita.

Cf. "The Economic Cost of Slave-Holding," in *Political Science Quarterly*, vol. xx, 1905.

by improvement in the quality as well as in the outward appearance of tobacco. New methods of "curing" tobacco gave rise to a sweeter as well as a brighter and hence more attractive leaf. Prior to 1812 curing was done in the open air; subsequent to that date a wood fire was employed. Later, in 1837, charcoal was used. These technical processes made possible the introduction of an entirely new leaf, the "Yellow Bright," which almost revolutionized the leaf market. In 1852 a lemon leaf was grown for the first time in North Carolina (Caswell County), which at once became popular in foreign as well as in home markets. It not only displaced some of the darker types, but increased the consumption of tobacco in all forms and all types. Production increased in a single decade (1850-1860) about one hundred and fifteen per cent,² or from 200,000,000 pounds in 1849 to 434,000,000 pounds in 1859.

The immediate effect of the introduction and popularity of this new leaf, used for plug fillers and wrappers, was to send land values in North Carolina sky high. The loose porous soil of Person, Granville and Rockingham counties, though arid and unfertile for other crops, was well adapted to tobacco.³ Mr. Killebrew, a tobacco expert, says that land values rose from fifty cents to fifty dollars per acre. The relative crop values in that decade were estimated per acre, eight dollars for corn, fifteen dollars for cotton, and fifty dollars for tobacco.

From North Carolina the cultivation of this new leaf was extended to Kentucky, Ohio and Tennessee. The

following table shows the progress made from 1850 to 1860: *

PRODUCTION OF LEAF.

	1849. Pounds.	1859. Pounds.	Increase per cent.
North Carolina	11,964,786	32,853,250	200
Ohio	10,454,449	25,092,581	150
Tennessee.....	20,148,932	43,488,097	115
Virginia	56,803,227	123,968,312	100
Kentucky	55,501,196	108,126,840	97
Maryland	21,407,497	38,410,965	80

That this remarkable progress was partly due to a general increase in tobacco consumption may be inferred from the fact that a similar development took place in the growing of cigar leaf in the Northern states, as indicated in the following table:

PRODUCTION OF NORTHERN CIGAR LEAF.

	1849. Pounds.	1859. Pounds.	Increase per cent.
Connecticut	1,267,624	6,000,000	400
Pennsylvania.....	912,651	3,181,000	245
Massachusetts	138,246	3,233,198	3000
New York	83,189	5,764,582	7000

During the entire period up to 1860 no great change took place in the method of cultivation. It was still largely the unscientific and extensive system, that is, one crop and no rotation, which was fast impoverishing the soil. The ordinary natural fertilizer was too expensive, and commercial fertilizer did not come into the market until 1840. In that year guano was imported from South America. By 1860 the United States was using over one thousand tons of guano, much of which went into tobacco fields. It was the use of artificial commercial fertilizer

* Based on Tenth and Twelfth Census.

that made possible the production of a cigar leaf in Northern states. The South was still the tobacco producing section, not only of our country but of the world. In 1860 five states produced seventy-five per cent of our entire crop. The following table gives by percentages the yield by states for three decades :¹

PERCENTAGE OF TOBACCO CROP OF THE UNITED STATES GROWN BY
PRINCIPAL STATES, 1839-1859.

	CENSUS YEAR.		
	1839. Per cent.	1849. Per cent.	1859. Per cent.
Virginia	34.4	28.4	28.6
Kentucky	24.4	27.8	24.9
Tennessee	13.5	10.1	10.0
Maryland	11.3	10.7	8.9
North Carolina.....	7.7	6.0	7.6
Ohio	2.7	5.3	5.8
Connecticut and Massachusetts ...	.2	.7	2.2
New York.....		.1	1.3

In 1860 our total crop approximated four hundred million pounds, more than one-half of which was exported to Europe. We still maintained our position, acquired during the colonial period, as the largest tobacco supplying market of the world. In order to avoid paying the duty on the useless stems, which forms about ten per cent of the total weight of tobacco, leaf shipped to England was stripped of the mid-rib.

Not only were we in control of the leaf market, but we were beginning to show signs of activity in the manufacture of tobacco. During colonial times we imported finished products, snuff and pipe tobacco from England. But as early as 1825 we were sending manufactured products to England. England aided us in securing a foot-

¹ Cf. *Tobacco* (trade journal), May, 1906, anniversary edition, containing a statistical survey.

hold in continental markets by imposing a high duty on leaf which, because of a loss in weight when manufactured, put English manufactures at a disadvantage.¹ Our exports of manufactured products prior to 1790 were nil; since that year the movement has been a progressively favorable one. The following table shows its progress from 1790 to 1860:

EXPORTS OF MANUFACTURES.

1790	81,000 lbs.	1830	3,199,000 lbs.
1800	457,000 lbs.	1840	6,787,943 lbs.
1810	495,000 lbs.	1850	7,010,000 lbs.
1820	593,000 lbs.	1860	17,697,000 lbs.

This is exclusive of snuff. The principal items of export were smoking (pipe) tobacco and chewing tobacco. These were machine-made products, and because the labor-cost was not important, we were able to compete abroad. In the sale of cigars, wherein hand labor is important, however, it was otherwise. German manufacturers, with cheaper labor, easily undersold us. Prior to the enactment of the high tariff of 1862, which practically shut out foreign goods, we imported from Germany annually upward to five million dollars worth of cigars. The value of imported cigars was greater than the total value of our exported manufactured tobacco products. In the five year period (1855-1860) our annual imports were valued at four million dollars, while our exports were only about two million dollars. Manufactured tobacco was made chiefly in Richmond, St. Louis, Lynchburg, Petersburg, Louisville and New Orleans. The principal cigar centers were New York City and Philadelphia. Cigars were made exclusively by hand, and

¹ It took, for instance, 114 lbs. of raw leaf to make 100 lbs. of finished product. The duty was paid on 114 lbs., but the drawback on 100 lbs. With a 900 per cent *ad valorem* duty, this loss was very heavy.

under the domestic system of production. Up to the Civil War the principal form of tobacco consumption was pipe tobacco. This was the cheapest form of indulgence, and hence popular among the poorer classes. Snuff and cigars were more expensive, the latter being used almost exclusively by the richer classes. Even to-day the cigar is the most expensive form of tobacco consumption. Owing to the uncertain character of statistics, the rate and volume of consumption cannot be accurately estimated for this period. In our chapter on "Consumption," however, we shall refer to this point.

In the eighty-five years thus briefly sketched, we have seen how the rate of progress in the development of the industry was temporarily checked by the commercial disturbances of the Revolutionary War and the War of 1812; how this temporary check reacted permanently by encouraging cultivation in Europe, Central and South America, and the East Indies; how the blockading of European ports during the Napoleonic wars led to the same result; how heavy import duties, to wipe out the debts occasioned by those wars, affected permanently the consumption, and thereby the production of tobacco; and lastly, how the profitableness of cotton production relegated tobacco to the background. In the final decade of the period, the industry revived through the increased consumption stimulated by a more desirable and attractive tobacco, the "Yellow Bright" of North Carolina. Not only were we supplying raw leaf to the world but, in addition to supplying ourselves with all forms of manufactured tobacco, we entered foreign markets in the sale of finished products. It is, however, in the period since the Civil War that the industry has shown most rapid development in all its forms, in agriculture as well as manufactures.

PART II—MODERN PERIOD: 1860-1905

CHAPTER I

CONSUMPTION

IT is not with the moral aspect of the problem that we are here concerned. Yet, from a social standpoint, the economist can not ignore the effect of consumption upon the working efficiency of the individual. The special problems, for which statistical data are available and which will receive consideration are: first, the extent and tendency of consumption; second, the consumption of tobacco compared with other commodities; third, the social importance of tobacco from the point of view of national expenditure, as well as of that of the family budget; fourth, the more important conditions upon which the rate and extent of consumption depend, such as general purchasing power, prices, taxation, and legislation.

With the possible exception of Belgium, United States is the heaviest consumer of tobacco among all the western nations. Our consumption has kept pace with the growing material prosperity of the country. The use of tobacco has been further stimulated not only by a relative decrease in price but also by the increasing superior quality of the finished products offered for sale. The mere superficial attractiveness of the cigar has, from a psychological standpoint, stimulated its consumption in

recent years. Whatever the reasons may be, statistics for the last fifty years show a remarkable growth in per capita consumption in the United States, as seen in the following table:¹

ANNUAL PER CAPITA CONSUMPTION IN THE UNITED STATES.

Years.	Pounds.	Years.	Pounds.
1863-1865	1.6	1886-1890	4.6
1866-1870	1.8	1891-1895	5.1
1871-1875	3.2	1896-1900	5.3
1876-1880	3.2	1900-1905	5.5
1881-1885	4.3		

This represents an increase of two hundred and forty per cent since the Civil War.² In the same period consumption in European countries shows nothing like this rate of increase, as appears in the following table:³

PERCENTAGE INCREASE PER CAPITA CONSUMPTION, 1860-1905.

United States	240 per cent.	France ..	24 per cent.
England	56 per cent.	Germany	23 per cent.

The following table presents the comparative per capita consumption for these countries since 1860, from which it appears that since 1880, our consumption has far exceeded that of other countries:⁴

¹ Based on the annual reports of the Commissioner of Internal Revenue and the United States Statistical Abstract.

² In view of the shifting proportion of males and females to the entire population, the figures based on per capita consumption are not a strictly accurate basis, but the change has not been great enough seriously to affect the above average.

³ Statistics for France and Germany for 1905 have been compiled from

ANNUAL PER CAPITA CONSUMPTION.

	1860 to 1865. lbs.	1866 to 1870. lbs.	1871 to 1875. lbs.	1876 to 1880. lbs.	1881 to 1885. lbs.	1886 to 1890. lbs.	1891 to 1895. lbs.	1896 to 1900. lbs.	1901 to 1905. lbs.
United States .	1.6	1.8	3.2	3.2	4.3	4.6	5.1	5.3	5.5
Germany	2.8	2.8	3.9	3.7	3.0	3.3	3.3	3.5	3.5
France	1.7	1.8	1.7	1.9	2.0	2.0	2.1	2.1	2.1
England.....	1.2	1.3	1.3	1.4	1.3	1.4	1.6	1.8	1.9

Consumption in Austria-Hungary is about three pounds per capita, in Russia one and two-tenths pounds, and in Italy only one pound per capita. For Belgium the rate is very high, about five and one-half pounds. The high consumption figure for our own country must be discounted not only because of our higher male population, but also because the particular form of consumption, chewing and smoking tobacco, so heavy in this country, is adulterated to the extent of about twenty per cent. of its weight with foreign ingredients, like sugar, flavors and licorice. The five and one-half pounds per capita for the total population, represents sixteen pounds per male above sixteen years of age. This, in turn, is equivalent to a weekly consumption of four cigars, two cigarettes and four ounces of smoking and chewing tobacco, with an average cost of thirty cents per week per capita.

It may be interesting to note what particular forms this consumption assumes. Until 1870 cigars and cigarettes were only in slight demand compared with smoking and chewing tobacco. More recently, however, the tendency has been strongly in favor of cigars and cigarettes, and more especially of the former. From 1880 to

ANNUAL PER CAPITA CONSUMPTION OF VARIOUS FORMS OF TOBACCO.

	Plug, smoking, chewing tobacco.		Cigars.		Cigarettes.	
	Lbs.	Per cent. increase.	Lbs.	Per cent. increase.	Lbs.	Per cent. increase.
1880-1885 ..	1.25		.3		.06	
1901-1905 ..	3.80	200	1.4	300	.18	200

In order to appreciate what this rate of consumption implies, we present in the following table the actual quantity of leaf consumed in plug, chewing and smoking tobacco, as well as the total number of cigars and cigarettes consumed in two five-year periods since 1890:

TOTAL ANNUAL QUANTITY CONSUMED.

	Plug, smoking, chewing tobacco.	Cigars.	Cigarettes.
1890-1895	266,400,000	4,300,000,000	3,555,000,000
1900-1905	312,500,000	6,360,000,000	3,000,000,000

Inasmuch as the cigar is the most expensive form of tobacco consumed, the increased consumption as shown in the rate and the absolute quantity of cigars consumed is proof of the expansion and extension of the general purchasing power of the community. Our social wealth, or general purchasing power, seems to have been *extensively* distributed, otherwise the point of satiety, for the individual, would have prevented the above increase, at least in the weight of the leaf consumed. Beyond a certain point, increased purchasing power does not mean, for the individual, more consumption, but consumption of a finer and higher quality.

It is surprising to learn what a large part of our social income is spent annually for tobacco. According to the *Census of Manufactures* (Bulletin 57, 1905, U. S.),

the wholesale value of the product manufactured is about \$330,000,000, which when retailed would easily amount to \$425,000,000. Add to this the value of imported goods (\$12,000,000) and the product of small domestic factories not included in the census, and we have in round numbers nearly \$500,000,000. On the basis of quantity consumed, and the retail price roughly estimated, this expenditure is distributed as follows:

ANNUAL EXPENDITURE.			
	Quantity.	Retail price Per unit.	Total retail price. Expenditure.
Cigars (number)	7,000,000,000	\$50 per M.	\$350,000,000
Mfg. tobacco (lbs.)	335,000,000	40 cts. per lb.	135,000,000
Cigarettes (number)	3,000,000,000	\$5 per M.	15,000,000
Total expenditure			\$500,000,000

If these figures based on the census reports are correct, there is more money spent annually for tobacco than for any one of the following commodities: men's clothing, boots and shoes, furniture, gas and petroleum, hosiery and knit goods.

The significance of this tobacco expenditure is more easily grasped when we consider its part in the family budget. Of the 25,440 family budgets analyzed, 2,567 were selected for the purpose of showing expenditure for liquor, tobacco, et cetera, of which the following is a brief summary.¹

	Percentage reporting consumption.	Average expenditure per family.	Percentage of total expenditure.
Liquors	50.72	\$24.53	3.1 per cent.
Tobacco.....	79.20	13.80	1.8 per cent.
Books—Newspapers	94.74	8.82	1.1 per cent.

¹ Cf. *Eighteenth Annual Report, Bureau of Labor* (U. S.), 1903.

If these figures are a criterion, then out of each dollar expended, five cents are for liquor and tobacco; two cents going for tobacco alone.

On the basis of this same report, other interesting deductions can be drawn. For instance, it appears that industrial families spend for tobacco much more than agricultural families, \$11.63 in western states and \$18.19 in north central states. The farming classes, however, may consume cheaper goods and thus compensate in quantity for lack in quality. Or it may indicate that the purchasing power in industrial families is greater than in agricultural families. The character of city life in general stimulates tobacco consumption. It has been found that families having the heaviest consumption of liquor report the greatest amount of tobacco consumption.¹

All statistics seem to point to one conclusion, that tobacco has become a fixed charge in the budget of the tobacco consumer. Although not a necessary of life in the same sense that bread and clothes are, tobacco is no longer regarded as a luxury. In a period of thirty years the demand has not only not suffered a decline, but its rate per capita has augmented. This can not be said even of those commodities which are regarded as of greater necessity, such as wheat, cotton and coffee. Tobacco consumption suffers very slightly in periods of depression, while its rate of increase is gradual in periods of prosperity.

The effect of a variation in price on the rate of consumption is difficult to trace. This is especially true in the tobacco industry where retail prices remain constant owing to the convenience of the customary price, five cents and multiples of five. When raw material (the leaf)

¹*Cf. Eighteenth Annual Report, Bureau of Labor (U. S.), 1903, p. 5.*

advances in price, or labor costs rise, the increase is not always reflected in the retail price, but in the quantity or quality of the goods offered for sale at the old price. Furthermore, when the price variation is a slight one, it is often borne by the intermediate jobbers, whose profits admit of such fluctuation. For instance, in the last three years the price of cigar leaf has risen on an average about fifty per cent, increasing the net cost of production at least ten per cent. Yet retail prices and often wholesale prices, have not changed in the least. It was the manufacturer and jobber who shared the loss between them; though frequently an inferior product was offered to the consumer, the substitution was too slight to affect the rate of consumption.

When, however, the influence affecting price is a more permanent one, as a high tariff or internal revenue tax, then the reaction upon consumption is more noticeable. For instance, in the period from 1865 to 1868 when our internal revenue tax was increased from eleven cents to thirty cents per pound, consumption fell from one and three-tenths pounds to one pound per capita.¹ The increase in the tax, during the Spanish-American War, on "manufactured tobacco" from six to twelve cents per pound, was accompanied by a decrease in consumption from three and nine-tenths to three and three-tenths per capita. We have purposely selected cases where the increase in the tax was sufficiently high to affect prices, avoiding the question as to the incidence of the tax, a problem which will be discussed in another chapter. Here we are concerned only with the relation between consumption and prices. Assuming that a high tax does

¹ See B. W. Arnold's *Tobacco Industry in Virginia*. Mr. Arnold attributes the "slump" in the Southern tobacco industry to the rise in the tax.

reflect itself in the net price, the difference in consumption among various countries having different tax rates is significant. The following table shows this relation:

1900-1905.	
Tax per pound.	Consumption. Per capita.
Belgium	38 cents 5.75
United States	15 cents 5.30
Germany	8 cents 3.52
Austria	34 cents 3.02
Hungary	29 cents 2.45
France	76 cents 2.12
United Kingdom	76 cents 1.93
Russia.....	16 cents 1.20
Italy.....	91 cents 1.02

That is to say, where the tax is low as in the United States, Belgium and Germany consumption is heaviest; whereas, in countries where the tax is high, consumption is lowest, as in Italy, England, France. Taxation, therefore, through its influence on price, is an effective means of regulating consumption.

An important factor determining the consumption of tobacco, but one which can not be studied statistically, is the change in fashion. For instance, among the German students use of tobacco has partially displaced the use of liquors, not because of any alteration in the price or even in the quality of tobacco, but simply because of a whimsical change in the social attitude towards the use of tobacco. Similarly, a loosening of the prevailing moral code may often stimulate the consumption of tobacco. It is, however, beyond the scope of this chapter

ness of other pleasures, somewhat akin to tobacco consumption, tends to curtail the latter where the purchasing ability of the consumer does not permit him to enjoy both; where, however, the general purchasing power admits both, the consumption of the one leads to, or encourages, the other. Again, national customs and traditions have also affected the use of tobacco, and its introduction, once effected, supplants other commodities. The Tobacco Trust, for instance, is educating the Chinese people to the use of our western tobacco, with the possibility of supplanting their own.

In our own country, legislative enactments have been resorted to in order to check the consumption of tobacco. There is scarcely a state or territory that has not, in one form or another, some prohibitory provision concerning the sale or consumption of tobacco either to minors or to adults. Anti-cigarette laws have been on the statute books of Indiana, Iowa, Nebraska, Tennessee, Wisconsin and other states, but to no avail. Just why this agitation should be aimed solely at cigarettes is not clear, for medical experts maintain that the most injurious form is pipe tobacco, which leaves in the bowl of the pipe both nicotine and paradine. Scientific investigations have not yet proven that cigarettes, when taken moderately, are physiologically injurious.¹

For good or for bad, United States leads the world in the consumption of tobacco, and the rate of increase in our country has been most rapid in the last fifty years. Our annual expenditure approximates five hundred million dollars, which involves the continual employment of

about five hundred thousand men, women and children. In the budget of the family as of the individual, tobacco has come to occupy an increasingly important place, until indeed, it may be classed among the poor man's necessities. The chief cause for the magnitude and rate of consumption is the growing material wealth of the country, which, judged from the weight of tobacco consumed, has been *extensive*. Temporary price fluctuations do not register themselves in the rate of consumption; but permanent influences in prices, as a high tax, do affect consumption. For we observed that countries having the highest rate of taxation had also the lowest rate of consumption, those having the lowest rate of taxation had the highest rate of consumption. It is the cultivation of tobacco and its problems, that we shall discuss in the next chapter.

CHAPTER II

CULTIVATION OF TOBACCO—AGRARIAN PROBLEMS

THE peculiar character of the tobacco crop, the various methods of cultivating it and the different "curing" processes by which it may be treated, are in no small degree responsible for the problems that beset the planter. While it is a crop that requires unusual skill and a relatively large capital investment, its returns are hazardous and uncertain. Its commercial value depends largely upon the success or failure of some seemingly simple process, such as preparing the seed-bed, setting, worming, topping, or suckering the plant. Finally, after the crop is harvested it must be subjected to a process of leaf-fermentation, called "curing," which often determines its grade and selling value. In what follows we shall first describe briefly those steps in cultivation which must be understood in order to appreciate the broader economic problems which we shall next consider.

Every tobacco-growing section, and each type of leaf, has its distinctive method of cultivation; but we can do no more than treat of some typical processes common to all. First comes a very careful preparation of a seed-bed in which plants are raised, like hothouse vegetables, for "transplantation" later to the field. Though the seed-bed is small (about two square yards for each acre of cultivation) its preparation is both important and costly. The ground in the seed-bed must be weeded and often burned in order to destroy bacteria; and finally it must

be heavily fertilized. It is covered over, usually with glass, for protection against obnoxious insects and sudden climatic changes. The expense in the construction and operation of a seed-bed is estimated at about three per cent of the total cost of production per acre. In Cuba this raising of young plants has become a specialized form of agriculture, which has resulted in the production of a finer plant at less expense. This seed-bed preparation requires from six to eight weeks.

In the meantime the ground is broken, ploughed and harrowed several times. The field is then marked off in parallel ridges about three feet apart, and in each row are heaped up, at uniform intervals (15 inches apart), small mounds of earth to receive the plants without danger of the latter being washed away by heavy rain. During the entire period from the setting of the plants until harvesting time, constant weeding is required. The production of a fine crop necessitates no less than six different "cultivations" (in the technical sense). As soon as the stalk has reared its head high enough it must be "topped," a pinching off of the top buds in order to concentrate the strength of the stalk into fewer leaves. The lower or ground leaves are removed for the same purpose, as are also the subsidiary shoots growing out from the axis of the plant. The former is called "priming," the latter "suckering." All these processes, together with "worming," require plenty of labor employed constantly, for about three months, up to harvesting time. As every stalk must be cut down singly by a hand knife, even harvesting is costly. The net labor-expense from the setting of the plants through harvesting, forms about fifty per cent of the total cost of production.

When harvested, the leaf is green and odorless and is

not considered *tobacco* until "cured" by a sweating process which gives it its agreeable color and flavor. Though the methods of curing vary, the principle is the same; natural or artificial heat is used to increase the activity of the bacilli, which, by some chemical process, expel from the leaf the disagreeable sap, leaving uninjured the juices that give flavor to the leaf. There are three distinct methods of curing. In several counties of Virginia north of the James River and northeast of Richmond, tobacco is "sun-cured." On the other hand "white Burley" of Kentucky, as well as the cigar leaf of the North, is cured by the "air-drying" process. For this purpose barns or tobacco houses are constructed wherein ventilation can be carefully regulated; the purpose being to keep the air as dry as possible during the curing season.

The tobacco is suspended on poles in a position to take advantage of the incoming currents of air. Two to four months are required to cure the leaf by this "air" process. Artificial heat is resorted to only when the air seems too damp. A third method is that in which the curing depends solely on artificial heat, as in the "heavy shipping" districts of western Tennessee and Kentucky. This artificial heat may be applied in two ways: either by open fires or by flues. In the former case a wood fire is built directly under the tobacco stalks suspended on scaffolds. Three or four days' constant heating is sufficient to "cure" the leaf and prepare it for foreign shipments. By this "open-fire" process the pores of the leaf are surcharged with a carbonaceous substance which gives it a strong flavor and deprives it of its natural absorptive capacity. The Europeans prefer this leaf. The "yellow" tobacco of North Carolina, used for cigarettes and smoking tobacco, is cured either by this "open-fire"

method, charcoal being the usual fuel, or by "flues." In the latter case pipes are constructed around the inside walls of the barn and supplied with heat from a furnace located near the curing "house." Since each stage in the curing process requires varying degrees of heat, the merit of this flue system consists in the fact that the temperature can be scientifically regulated. As each mode of curing demands different amounts and kinds of labor, as well as dissimilar capital investment for mechanical aid, the cost or expense of curing cannot be averaged. The wear and tear and the interest charges on the "barn" amount to ten dollars per acre. In the "sun-cured" process the cost is slight since little labor is needed and less capital than in the "air-cure" method which necessitates not only an original capital investment but also a greater quantity of labor. For whereas the former can be completed in three or four days, the latter requires from two to four months. After the tobacco is cured it is sorted and graded, and often packed, by the grower, in preparation for the market.

Despite the obstacles that attend the raising of tobacco its cultivation in 1900 was reported in no less than forty-five states and territories. In eighteen states over 1,000,000 lbs. were harvested, and in several states—Kentucky, North Carolina, Tennessee, Virginia, Connecticut—it was one of the principal commercial crops. There were, in 1900, no less than 300,000 farms growing some tobacco for the market, and for 100,000 of these tobacco represented forty per cent of the entire income. In the census enumeration these latter are grouped as "tobacco farms." The leaf cultivated in this wide area can be broadly classed under either cigar leaf or "manufacturing tobacco" leaf.¹ The former is almost ex-

¹ The term is ambiguous, but we use it because of its traditional con-

clusively a product of the Northern States and is used for fillers, binders, or wrappers solely in the manufacture of cigars: the latter is a Southern product and used in the the manufacture of plug, chewing and smoking tobacco, snuff and cigarettes. While the cigar leaf can be utilized for the latter purposes, the manufacturing leaf can be used only in the production of the cheapest grade of cigars and stogies. In the following table we present a classification of the leaf market as it appears to the manufacturer:

CLASSIFICATION OF LEAF TOBACCO.

CIGAR LEAF.	
<i>Class.</i>	<i>Where cultivated.</i>
Fillers.....	Connecticut, Ohio, New York, Pennsylvania (also to slight extent in Florida, Georgia, Texas).
Binders	Wisconsin, Pennsylvania, Connecticut.
Wrappers	Connecticut, Florida.
PLUG.	
Fillers.....	Kentucky, Ohio, Tennessee, Missouri, Illinois. (Known as Burley Leaf.)
Wrappers	Virginia, North Carolina, Kentucky.
Chewing tobacco	Burley Leaf.
Pipe-smoking tobacco	North Carolina, South Carolina, Eastern Virginia, Eastern Tennessee.
Cigarette leaf	Same as smoking tobacco above (North Carolina, Eastern Virginia, South Carolina, Eastern Tennessee).
Snuff	Blend or mixture of various types.

All finished tobacco products are made more or less of blends or combinations of several kinds of leaf. Each manufacturer learns by experience what "blend" best suits his particular market. This is especially true of snuff; every producer has some secret manufacturing

notation. Manufacturing leaf is that used in machine-made products such as plug, chewing and smoking tobacco.

process to which he attributes the superior quality of his particular brand. The peculiar characteristic of nearly all of the southern leaf is its absorptive capacity which enables the manufacturer to adulterate the raw material (leaf) to no less than twenty per cent of its original weight. Adulteration is here not used in a bad sense, since the admixture of foreign ingredients, licorice, sugar, and flavors of various kinds, is considered an essential part of the manufacturing process. The cigar leaf depends almost entirely upon its natural taste and aroma. Some cigar manufacturers, however, do flavor their leaf.

The old extensive method of cultivation, yielding quick returns at the expense of the soil, is gradually being displaced by intensive cultivation. This tendency began with the abolition of slave labor. With a permanent supply of labor no longer available the landowner frequently found himself in possession of a vast estate often unused but always heavily taxed. This perplexity has made necessary the leasing or selling of small portions of the land. Since it is profitable to get as heavy a yield as possible from every acre put to cultivation, small holdings, whether tilled by tenants or by owners directly, tend naturally to an intensive working of the land. Under the plantation system with large estates operated by cheap slave labor, the owner was content with a large crop from soil worked superficially. This breaking-up of the large estates into small holdings has been accentuated by the existence of what might be termed "absentee landlordism." The industrial development of the South since the Civil War has stimulated a steady migration from the farm to the city on the part not only of laborers, but also of wealthy landowners in search of superior economic as well as social and educational opportunities which the city offers. The result is that

the landlords continue to exercise, from a distance only, a loose supervision over their estates, which in due time leads to a loss of interest in farming. Gradually the old landed aristocracy is losing its position by surrendering at first only direct control, but finally possession of its estates to small owners. Prior to 1860, in Virginia, where tobacco was the chief crop, the average tobacco farm ranged from 100 to 500 acres; to-day in the same districts the average is from 20 to 50 acres.¹ In the leading tobacco states since the war, Kentucky, North Carolina, Virginia and Tennessee, the number of twenty-acre tobacco farms has greatly increased since 1860.

On small as well as on large fields, intensive farming has of course been hastened, as well as made possible, by improvements in methods of cultivation. The utilization of commercial fertilizers and a scientific rotation of crops have enabled the planter to increase enormously the yield per acre.

The following table shows clearly the tendency towards intensive cultivation since 1880 in the leading tobacco states :

PERCENTAGE INCREASE OF ACREAGE AND YIELD PER ACRE, FROM 1880 TO 1900.

	Percentage acreage increase.	Percentage crop increase.
Kentucky	70 per cent.	84 per cent.
North Carolina	250 per cent.	375 per cent.
Virginia ¹	31 per cent.	53 per cent.

¹ Compare the acreage per farm in the following tobacco counties of Virginia in 1860 and 1900: Charlotte, Albemarle, Prince Edward, Mecklenberg, Louisa, Lunenburg, Pittsylvania, Augusta. Cf. *U. S. Census, 1860*, pp. 218-19; *U. S. Census, 1900, Part II, Agriculture*, pp. 53, 125.

The following table represents the increase in the actual yield in several Southern States since 1880:

YIELD PER ACRE.		
	1880.	1905.
Kentucky	757 lbs.	830 lbs.
North Carolina	472 lbs.	608 lbs.
Virginia	568 lbs.	675 lbs.
Tennessee	707 lbs.	768 lbs.

These figures indicate an increase in the yield of 90 pounds per acre (from 630 pounds to 720 pounds). Recent experiments conducted by the United States Bureau of Agriculture prove conclusively the profitableness of a judicious use of artificial fertilizers, especially in Virginia, where the soil has become exhausted from continued use. The results of one of these scientific investigations for the purpose of showing the utility of fertilizers are summarized in the following table:¹

	Cost of fertilizer.	Cost of production.	Selling price.	Profit.
Field A	\$5.00	\$40.00	\$45.50	12½ per cent.
Field B	16.00	60.00	81.09	34 per cent.
Field C	32.00	80.00	111.29	39 per cent.

With an ever cheapening cost of fertilization, the impoverished Virginia soil may some day be restored to its ancient standard of productivity. In the Northern States this intensive cultivation has been carried on successfully for a number of years. The land of the Connecticut and Housatonic Valleys is yielding to-day, with the aid of fertilizers, twice as much per acre as the Southern land with which in Colonial days it could not compete. For instance in 1906 the yield per acre for Massachusetts and

¹ Cf. *Year-Book of the U. S. Dept. of Agriculture*, 1905, pp. 222-224.

Connecticut was 1,750 pounds, as against 870 and 580 pounds respectively for Kentucky and Tennessee. Into the tobacco districts of the Connecticut and Housatonic Valleys are shipped annually a thousand car-loads of barn manure from Boston and New York. Ordinary barn manure is very valuable as a tobacco fertilizer because it contains some amount of nearly all the principal ingredients, nitrogen, phosphoric acid, potash, lime and magnesia. The principal ingredient, nitrogen, is obtained from cotton seed meal, castor pomace, linseed meal, sulphate of ammonia and nitrate of soda. The complaint is made that our commercial fertilizers do not contain the elements that are claimed for them; they are deficient in nitrogen and potash and contain too much acid phosphates. Commercial fertilizers are used more extensively in the North than in the South; in the former about two tons per acre. The following figures show the relative importance of fertilizers for Northern and Southern tobacco farms:¹

	Fertilizers, cost per farm.
Massachusetts	\$227.00
Connecticut	218.00
South Carolina	66.00
North Carolina	42.00
Virginia	34.00
Maryland.	36.00
Tennessee	17.00
Kentucky	4.00

The actual difference in the amount of fertilizers used is even greater than appears from a comparison of the "cost per farm," since the farms in the North are smaller than in the South. The cultivation of cigar leaf in

¹ Cf. *U. S. Census, 1900, Agriculture, Part II*, p. 509.

Northern States is often classed, not without reason, with truck-gardening rather than with ordinary farming.

Along with the tendency toward intensive cultivation on small farms, has come a diversification of crops. This has been furthered by several factors: the hazardous character of the crop, over-production, and intensive cultivation which has made possible a larger crop on a smaller area. In the North, where the tobacco farms are situated near cities, truck-gardening is profitable as a by-industry. In the South the tenant usually raises food products—corn, wheat, vegetables, meat—for private consumption. As was stated previously, only 34 per cent of the 300,000 farms reporting tobacco derive more than 40 per cent of their income from this single crop.¹ What a small portion of each farm is devoted to tobacco cultivation may be seen from the following figures:*

FARM AREA DEVOTED TO THE CULTIVATION OF TOBACCO.

Size of farms reporting tobacco.		Acres per farm reporting tobacco.	
Acres.		South Atlantic Division.	South Central Division.
3 and under	10	1.3	2.2
10 and under	20	2.3	2.8
20 and under	50	2.9	2.9
50 and under	100	3.3	3.0
100 and under	175	4.2	3.5
175 and under	260	5.3	4.9
260 and under	500	6.6	7.1
500 and under	1000	8.5	11.2
1000 and over	.....	12.3	19.1

As has already been stated labor plays a very important rôle in the cultivation of tobacco. It is not only quantity but a superior quality of labor that is required in pro-

¹ Where tobacco farms are leased out on the crop-sharing system provision is made usually for the cultivation of crops other than tobacco.

* Cf. *Twelfth Census, Agriculture, Part II*, p. 510.

ducing leaf tobacco. In the Northern States production is carried on usually by the farm owners who employ help during the summer months. Only about fifty per cent of the Southern leaf is produced directly by owners of land. Over thirty per cent of the farms are cultivated by share tenants. There are several forms of land tenure; the most common being that in which the owner leases to the tenant a specified area, supplies him with the necessary farm implements, work-animals, barns, one-half of the fertilizers, etc., and receives one-half of the crop harvested.¹ It is only where the owner advances most of the capital and land and the tenant contributes merely his own labor and one-half of the cost of fertilizers that the product is divided equally between the owner and the tenant. The tenant's share naturally increases in proportion as he contributes more capital in addition to his own labor; in which instance the lease usually calls for a three-fourth share to the tenant and one-fourth to the owner. The lease also usually stipulates the conditions under which crops other than that of tobacco are to be cultivated; the division of these secondary crops, between the tenant and the owner, is the same as that for tobacco.

The question as to which system of tenure and labor yields the best results is complicated by the fact that a slight variation in the character of the soil, or in the capital improvements, affects the final productivity. The product attributed to each of the several factors is difficult to single out. From figures compiled from the

¹ In Virginia the owner supplies not only the necessary land, dwelling and farm implements, but barns for curing, work animals, and feed for animals. He also pays taxes on the land, and contributes one-half the cost of fertilizers as well as one-half the cost of marketing the tobacco. The net return is divided equally.

twelfth census,¹ it appears that in the South the yield in quantity of leaf tobacco per acre under the crop-sharing system is as high as under the system of direct ownership. Even in the Northern States, Connecticut, Pennsylvania and Ohio, the same holds true, though the share-tenant system is less common. Where the cash-tenant system prevails the yield is often equally favorable, for instance, in Maryland, Pennsylvania, and Kentucky. In other states, however, the cash-tenant system is not so productive.² The table on the next page indicates the relation between the various forms of tenure, the extent to which each prevails, and their corresponding productivity in eight leading tobacco states.

From this table it appears that only fifty per cent of the tobacco-raising farms in the South are operated directly by the owners, and over thirty per cent by share-tenants. What is more surprising is that less than sixty per cent of the tobacco acreage in the North Atlantic and North Central States is cultivated by their owners directly, and fully thirty per cent of the acreage is operated by share-tenants.³

It is difficult to determine from a social standpoint, whether cultivation by tenants is less productive than under direct and partial ownership. The general consensus of opinion is that the quality of the leaf, as well as the final character of the land improvements, is apt to be better where the land is worked by its owner than by a tenant. The yield per acre of the former generally equals that of the latter. It is, however, not a conclu-

¹ *U. S. Census, 1900, Agriculture, Part II*, pp. 530-531.

² In the South whenever the landlord loses all interest in farming but cannot dispose of his land he usually tries to rent his land on the "cash tenant" basis.

³ *Cf. U. S. Census, Agriculture, Part II*, pp. 530-531.

NUMBER OF FARMS OF SPECIFIED TENURE, WITH YIELD PER ACRE. 1900.

	Total number of farms.	OWNERS.		SHARE TENANTS.		CASH TENANTS.		PART OWNERS.		OWNERS AND TENANTS.		MANAGERS.	
		Per cent of total farms.	Yield per acre lbs.	Per cent of total farms.	Yield per acre lbs.	Per cent of total farms.	Yield per acre lbs.	Per cent of total farms.	Yield per acre lbs.	Per cent of total farms.	Yield per acre lbs.	Per cent of total farms.	
United States ..	308,317	54	808	28	756	8	763	6	787	1.5	835	.3	800
Kentucky	86,594	56	812	27	817	6	840	6	850	2	810	.5	825
North Carolina ..	51,106	46	623	37	625	7.7	625	6	605	1	585	.3	750
Virginia.....	44,872	50	700	32	625	10	615	5	667	1.2	740	.8	667
Ohio	16,666	50	900	35	925	4	800	7	943	2	965	.5	850
Tennessee	29,960	56	690	25	615	8	650	7	650	2	775	.6	730
Wisconsin.....	6,916	61	1380	21	1300	9	1230	4	1230	1.5	1400	.6	1335
Pennsylvania ...	9,621	60	1400	25	1500	9	1480	2	1650	.4	1450	1	1500
Maryland	5,338	48	525	40	550	5	630	3	525	.4	550	1	625
Connecticut	2,909	73	1680	8	1700	6	1650	7	1590	3	1660	.9	1520

sive test to compare the *quantity* produced by all forms in general at any particular time and in a particular place. The relative productiveness of two systems of tenure can be measured absolutely only where the specific farm is cultivated by the same kind of labor with the same amount of capital, under the two different systems of tenure. It is, for instance, impossible to learn from the census data the difference in the natural fertility of the soil cultivated respectively by "owners" and "tenants." It is just this variation, however, in the natural fertility that may be responsible for the difference in the yield per acre. Likewise with the other factors in production, labor and capital. Moreover the weight of the crop is no indication of the net productivity since the quality of the leaf produced is a large factor in determining its price. So also the improvements on the land must be considered as an asset in measuring the relative merits of the two systems.

A similar difficulty presents itself in attempting to compare the efficiency of "white" and "colored" labor. The figures, however, point too much in one direction for doubting the superiority of the former. For under no system of tenure and in no section of the country do the farms of the "colored" labor yield per acre as much as the farms of the "white" labor. The table¹ on the next page has been compiled to show this apparent difference in efficiency between the two kinds of labor.

It is worth noting that the highest yield per acre is obtained by colored labor where "managers" are engaged, the inference being that the negro works best under the spur of a taskmaster. It is surprising to discover that among colored laborers, "owners" produce

¹ Cf. *U. S. Census, Agriculture, Part II*, pp. 511-512.

YIELD PER ACRE BY CENSUS DIVISIONS.		YIELD PER ACRE FOR WHITE AND COLORED FARMERS UNDER VARIOUS TENURES IN UNITED STATES.		
	Farms of White Farmers.	Farms of Colored Farmers.	Farms Classified by Tenure.	
	Pounds per acre.	Pounds per acre.		
United States.....	814	615	All farms	814
North Atlantic Division ..	1490	1119	Owners.....	823
North Central Division....	1023	834	Part owners.....	812
South Atlantic Division....	661	584	Owners and tenants	843
South Central Division....	800	690	Managers	807
			Cash tenants	805
			Share tenants	797
				615
				595
				617
				178
				667
				596
				627

less than "tenants." We should naturally expect the reverse to be true on the assumption that only the most efficient negroes become "owners" of land. The seeming anomaly is partly explained by the fact that the negroes have been able to purchase only a poorer grade of land, besides being embarrassed by a lack of capital necessary for farm improvements.¹

Introductory to our discussion of some of the interesting developments in the production of leaf since the Civil War, we append statistics presenting the distribution of the tobacco crop with the percentage for each leading state; while the table on the next page shows the actual weight of the crops.²

PERCENTAGE OF TOTAL PRODUCTION FOR THE ELEVEN LEADING STATES (1860-1905).

	1860.	1870.	1880.	1890.	1900.	1905.
Total for 11 States.....	88.1	87.2	91.9	93.0	95.7	99.2
Kentucky	24.9	40.0	36.2	45.4	36.2	36.2
North Carolina	7.5	4.2	5.7	7.4	14.6	13.1
Virginia	28.5	14.1	16.9	9.9	14.1	12.6
Ohio	5.7	7.1	7.3	7.7	7.5	7.9
Tennessee.....	10.0	8.1	6.2	7.4	5.6	5.0
Wisconsin	0.02	0.3	2.0	3.9	5.2	8.5
Pennsylvania.....	0.2	1.3	7.8	5.9	4.8	3.3
Maryland	8.8	6.0	5.6	2.5	2.8	3.1
South Carolina.....	0.02	0.01	0.01	0.04	2.2	1.5
Connecticut.....	1.6	3.5	3.1	1.8	2.0	3.7
Massachusetts.....	.8	2.5	1.0	.6	.7	1.3

The figures indicate a heavy diminution in the decade following the Civil War, particularly in States like Vir-

¹ The writer is indebted to Mr. L. S. Thomas, Martinsville, Va., for some of the information concerning the cultivation of tobacco and concerning existing economic conditions in Virginia.

² Compiled from *U. S. Census, Agriculture, Part II*, pp. 528-29, and *Year-books of Department of Agriculture*.

PRODUCTION OF "LEAF" FROM 1860-1905 FOR 13 LEADING STATES.

	1860. Pounds.	1870. Pounds.	1880. Pounds.	1890. Pounds.	1900. Pounds.	1905. Pounds.
United States total	434,209,461	262,735,341	472,661,157	488,256,646	868,163,275	633,033,719
Kentucky	108,126,840	105,305,869	171,120,784	221,880,393	314,288,050	238,975,000
North Carolina	32,853,250	11,150,087	26,986,213	36,375,258	127,503,400	83,156,000
Virginia	123,968,312	37,086,364	79,988,868	48,522,655	122,884,900	79,952,000
Ohio	25,092,581	18,741,973	34,735,235	37,853,563	65,957,100	50,000,000
Tennessee	43,448,097	21,465,452	29,365,052	36,368,395	49,157,550	31,874,000
Wisconsin	87,340	960,813	10,608,423	19,389,166	45,500,480	53,833,000
Pennsylvania	3,181,586	3,467,539	36,943,272	28,956,247	41,502,620	20,994,000
Maryland	38,410,965	15,785,339	26,082,147	12,356,838	24,586,480	19,393,000
South Carolina	104,412	34,805	45,678	222,898	19,895,970	9,254,000
Connecticut	6,000,133	8,328,798	14,044,652	8,874,924	16,930,770	23,011,500
Massachusetts	3,232,867	7,313,202	4,369,338	2,785,076	6,406,230	8,302,000
Missouri	25,086,196	12,320,483	12,015,657	9,424,823	3,041,996	1,295,000
Illinois	6,885,262	5,249,274	3,935,825	3,042,936	1,447,150	1,018,800

ginia, North Carolina, Missouri, which suffered most from the economic disturbances and financial embarrassments attending the rebellion. Since 1870, however, our production has kept pace with the increasing domestic and foreign consumption of tobacco. During the last decade (1895-1905) our annual production approximated 700,000,000 lbs., which is about thirty-five per cent of the entire crop of that part of the world for which there are reliable statistics.¹ Nearly one-half of our crop is exported.

Of our entire crop, twenty per cent is cigar leaf and eighty per cent "manufacturing" leaf (used in plug, smoking and chewing tobacco, cigarettes and snuff.) As indicated above, the cigar leaf is produced in Wisconsin, Connecticut, Massachusetts, Pennsylvania, New York, Florida and part of Ohio. The "manufacturing" leaf (80 per cent of our total crop) is confined to our Southern States, principally Kentucky, North Carolina, Virginia, Tennessee and Maryland. The combined product of the first three is alone sixty-two per cent of the total production and about ninety per cent of the entire Southern crop.

Since the Civil War there have been some interesting movements in the shifting of the centres of production. Virginia, which for nearly two and a half centuries was the leading tobacco section in the country, surrendered its supremacy to Kentucky, and has since been surpassed by North Carolina. This is explained by several causes. First the collapse of slavery affected Virginia planters more severely than those of other states; there were in Virginia twice as many slaves as in Kentucky. A

comparison of the size of tobacco plantations and the number of slaves engaged in production, prior to the War in Virginia, North Carolina, and Kentucky reveals the relative extent to which the destruction of the old system of production affected the industry in these states. This is shown in the following table:

SLAVE LABOR IN 1860.¹

States.	Total number of slaves.	Number of slaves on plantations holding 10 or more slaves.	Number of holders in 10 leading tobacco counties.	Slaves per holder in 10 same counties.
Virginia	490,865	280,190	1028	11
North Carolina	331,059	205,885	580	9
Kentucky	225,483	129,390	665	7

The inability to command the necessary labor, after the war, was aggravated by the loss of capital during the struggle, which left many of the Virginia planters in a helpless condition. In addition to these factors (the loss of slave labor and the destruction of capital) must be mentioned an equally important influence detrimental to Virginia's position as a tobacco producer, namely, the impoverishment of the soil. Both Washington and Jefferson had foreseen that Virginia's land was being worked too hard by tobacco planters. The full realization of this fact came with the opening up of the virgin soil of

¹ Cf. *U. S. Census, 1860, Agriculture*. Compare, with respect to acreage per plantation and number of slaves per plantation, the principal tobacco counties in Virginia and Kentucky. In Virginia—Albemarle, Bedford, Dinwiddi, Halifax, Louisa, Lunenburg, Pittsylvania, Meck-

Kentucky and Tennessee, as well as of a new region in North Carolina well adapted to the cultivation of tobacco. The fresh soil of Kentucky, Tennessee and North Carolina for some time enabled the planters in these states to undersell Virginia growers. Recently the introduction of cheap commercial fertilizers has enabled Virginia land-owners partially to rehabilitate the soil and to increase production.

Another interesting movement has been the retrogression in the cultivation of tobacco in Maryland, Missouri and Illinois. The rapid industrial growth in these states rendered the tobacco lands more valuable for residential purposes and urban truck-gardening. The process of substitution was especially active in Maryland (Anne, Arundel and Prince George counties). The combined product of these two counties in 1860 was 20,000,000 pounds and in 1900 less than 10,000,000 pounds. The same development took place in Howard and Chariton counties, Missouri, and in Johnson, Saline and Williamson counties, Illinois. The most striking example, however, of crop substitution occurred in Kentucky, where large parts of the famous "blue-grass," stock-raising section has been transformed into tobacco farms. In the South there is frequently a mutual substitution of tobacco and cotton crops depending upon the prospective market price of each. This is notably true in North Carolina and in the Piedmont region generally. One important consequence of the rapid expansion of tobacco cultivation in Kentucky, North Carolina and Tennessee has been the shifting of the manufacturing centres westward from Virginia towns to St. Louis, Louisville, Cincinnati, and Durham, North Carolina.

We pass at this point to the consideration of a problem which is at present of vital importance to the planter,

the marketing of leaf. As we shall see presently, the discontent and unrest among Southern growers have their origin in the undue advantage possessed by the Tobacco Trust in purchasing its leaf. A complete appreciation of this situation depends upon an understanding of the external organization of the market; the means whereby sellers and buyers are brought together. The method of marketing cigar leaf differs from the marketing of Southern leaf. It is to the latter that we shall first direct our attention.

Every important tobacco section has its public warehouse, situated in the nearest town or city. There, on appointed days, the grower conveys his crop, which, after being exhibited to the buyer for inspection, is publicly auctioned to the highest bidder. The leaf may be sold either "loose," as in the "heavy shipping" districts, or "inspected" (a method common to all districts). In the former case ("loose" marketing), the leaf is sold in the bulk without being sampled or inspected, as is the procedure in the latter case. The method of "inspection" is scientific; warehouse officials, under bond, draw samples from each lot or crop, grade and mark them. To each sample is attached a note or tag bearing the name of the warehouse, the seller, the warehouse number, the gross weight of the crop or lot, the date of inspection and the inspector's name. The warehouse is under supervision of the State law and is responsible for losses traceable to fraudulent practices of the warehouse officials. On the basis of these samples, the lots or crops they represent are auctioned off, by warehouse officials, to the highest bidder. In this case the buyer depends upon the accuracy and good judgment of the sampler in grading and prizing the leaf. If the price is not satisfactory the seller can withhold his wares. Each type of

tobacco has its special market or markets; for instance, the "heavy shipping tobacco" of western Kentucky and Tennessee is sold largely at Louisville, Cincinnati and Clarksville. Almost the entire crop of Maryland and eastern Ohio is sent to markets at Baltimore. Durham and Winston are the large markets for the "yellow" tobacco of North Carolina; Richmond is the centre for all types of Virginia leaf. Burley leaf of Kentucky is shipped to points on the Ohio, principally Cincinnati.

The expense or cost of distribution which this warehouse system entails is very high. When sold "loose" the grower pays fifteen cents for having a load weighed, twenty-five cents for having it auctioned (each pile), besides paying a two and one-half per cent commission to the warehouse. Under the system of "inspection," there is first a storage charge (\$1.50) per hogshead, an inspection and sampling fee (about \$1.00 per hogshead), an insurance fee averaging one-half of one per cent of its value, an auction fee (twenty-five cents per sample) and a commission to the warehouse of about three per cent of selling value. The average marketing charges, including freight, drayage, warehouse inspection, auction fees, commission (three per cent), insurance (one-half of one per cent), are estimated at about ten per cent of the gross selling price. The charges traceable exclusively to the warehouse system of marketing, as such, that is, inspection fees, auction fees, commission fees, etc., are about five per cent of the selling price.¹

To confer upon the planter the advantages that accrue to the seller from open competition among the buyers was the sole purpose and justification for this warehouse

¹ Cf. "The Distribution of the Tobacco Crop" in the *Report of the Industrial Commission*, 1900, vol. vi, pp. 307-321.

system. On the other hand the buyer was willing to pay a trifle more in return for the convenience and benefits derived from such a centralized public market. The original purpose of the plan, however, is vitiated and its advantages nullified just as soon as the buyers agree to pool their interests and depress prices by curtailing the very competition which the warehouse market sought to invite. It is to this condition that the Southern leaf market has come since the Tobacco Trust has secured control of from seventy-five to ninety per cent of the home market, especially in the sale of cigarettes, plug, and chewing tobacco. We must remember further that several large European countries (for instance France, Austria, Spain and Italy) exercise a monopoly over tobacco, and their purchases are made through single government agents. The complaint is made, with some degree of plausibility, that the Trust and these "Régie" agents have come to some secret understanding and parcelled out the markets among themselves, agreeing not to compete with one another.¹ Where two parties buy in the same market, a certain maximum price is fixed arbitrarily.

Such accusations are, of course, difficult to substantiate.² One fact, however, has become more and more obvious, namely, that in proportion as the Trust has extended its power over the market, prices of leaf have fallen. By 1896 the American Tobacco Company had succeeded in capturing the cigarette market. In that year leaf at Winston, N. C., the largest cigarette centre,

¹ Cf. Congressman Stanley's arraignment of the Trust in *Congressional Record*, June 2, 1906, p. 7923.

² Congressman Mudd of Maryland, in the interest of the growers of his State, recently introduced a bill calling for an investigation of "foreign tobacco monopolies."

brought six cents per lb., whereas in 1890 it sold for twelve cents, as shown in the following table:¹

PRICE OF LEAF TOBACCO, WINSTON, N. C. (1889-1896).

	Cents per pound.		Cents per pound.
1889.....	12.3	1893.....	6.3
1890.....	11.8	1894.....	7.0
1891.....	9.1	1895.....	6.0
1892.....	8.6	1896.....	6.3

The crisis of 1893 was only partially responsible for this sharp decline in prices; for notwithstanding the development in the cigarette industry since 1896, prices of leaf used in its manufacture have never been as high as they were prior to the culmination of the Trust control in the early nineties. Similarly, when the plug interests were combined and controlled by the Continental Tobacco Company and the American Tobacco Company in the later part of the nineties, burley leaf suffered a decline. In the period from 1899 to 1904 Burley leaf (used in the manufacture of plug) averaged at Louisville and Cincinnati seven and one-half cents per lb., whereas it formerly marketed for ten cents. Since 1900 North Carolina "Brights" (used in smoking tobacco and cigarettes) brought only from six to eight cents per lb. at Winston, Durham and Danville markets compared with its former price of nine and ten cents. At Hopkinsville, Kentucky and Clarksville, Tennessee, large western markets, prices have dropped from eight and one-half cents in 1900 to seven cents in 1905. Nor must it be forgotten that during this period of declining prices of leaf, the planter was forced to pay increased prices not only for material and

¹ Cf. *Report of Industrial Commission*, 1900, vol. vi, p. 321.

labor employed in cultivation but also for commodities for private consumption.¹

Despite all denials to the contrary, the blame for this price-depression has been placed by planters, with unanimous accord, at the door of the Trust. As a counter-move, the growers have organized associations to force up prices either by curtailing the supply of leaf or by fixing an arbitrary price below which no sales are to be made. The most important of these associations, at the present time, are the following: the "Dark Tobacco Growers Association of Kentucky," the "Dark Tobacco Growers Association of Tennessee," the "Burley Tobacco Growers Association of Kentucky," the "Mutual Protective Association of Bright Tobacco Growers of Virginia and North Carolina," and the "Maryland Tobacco Growers Association." This mere enumeration indicates the extent to which, geographically at least, the Trust influence has made itself felt. Two obstacles stand in the way of an efficient concerted action among the farmers: one, the mere number and wide geographical distribution of planters with a lack of easy communication between them; the other, more important, difficulty is the financial inability to guarantee the small farmer the final disposal of his crop at a profitable price. Without this latter assurance the small farmer is reluctant to pledge or bind himself legally to the rules and action of the association; and without a legally enforceable contract there is nothing to prevent the individual farmer from selling his crop at a lower price in anticipation of a great slump, thus breaking the sellers' pool. One thing is certain,

¹The prices quoted above (1896-1906) are taken from *The Western Tobacco Journal* and *The Tobacco Leaf*. For prices prior to 1896, Cf. Killebrew and Myrick, *The Tobacco Leaf*, pp. 487, 492, which prices are based on quotations of *The Western Tobacco Journal*.

namely, that the combination or union of over 200,000 planters must necessarily be less efficient than the centralized power of a Trust purchasing alone from seventy-five to ninety per cent of the entire crop consumed in this country. As a partial escape from the clutches of the Trust the growers are demanding a reform in the laws of the Internal Revenue system which would permit them to sell their leaf directly to consumers without paying the tax imposed at present on all forms of tobacco sold to consumers.¹

We have thus far confined our discussion to the marketing of Southern leaf, its method and its problems. In the North there are no public warehouses where buyers and sellers can be brought together in open competition. In the first place, the leaf is not purchased, as is the Southern leaf, directly by the manufacturer, but by "packers." The latter, or their agents, visit the individual grower and bargain on the basis of the rough knowledge of the general market that each may happen to possess. The buyer usually has the advantage since his knowledge of the market is apt to be based on broader and more opportune insight into the conditions of the market in general. It is a wasteful system because it necessitates traveling expenses on the part of several buyers in search often of a doubtful seller. A saner method is the Southern warehouse system. In order to take advantage of the chaotic market, "packers" engage buyers residing in the tobacco-growing region. The "packer" often buys the entire crop, sometimes before it is ever harvested; he grades, sorts and "sweats" it in his own warehouse. The leaf jobber and large cigar

¹ Cf. *House Bill*, no. 14972, "An Act for the relief of Tobacco Farmers." There is little hope of this measure becoming a law.

manufacturer purchase from the packer; the leaf jobber in turn sells to the small manufacturer. The fact that strikes one in the organization of the distributing agencies is the existence of these many middlemen through whom leaf passes before it reaches the small, and often the large, cigar manufacturer. The price to the manufacturer, in case the leaf passes through the hands of packer and the jobber, is from forty to eighty per cent in advance of the original farm price paid to the grower. This margin of profit is altogether out of proportion to the services rendered, and exists only because of the vast number of small manufacturers who have not sufficient capital to buy directly from the grower. Once the Tobacco Trust is in possession of the cigar market (and the time is not far off),¹ both the packer and jobber will be forced to the wall.

The present high price of all classes of cigar leaf is partly the result of the Trust movement to eliminate the small manufacturer by making it unprofitable for him to continue in business. With an increase in the price of raw material the independent manufacturer is compelled to raise prices on the finished product. But the Trust continues to market its cigars at the old price in order to capture the trade, which is equivalent to underselling. In the meantime the farmer is enjoying high prices. Another factor, however, should not be overlooked in explaining the present high price of cigar leaf, namely, the tremendous growth of the cigar industry in the last ten years, which necessitated a supply of leaf not antici-

¹ Even as we write, the *New York Times* reports the absorption, by the Trust of the largest producers of domestic cigars, namely, the United Cigar Manufacturers' Co., having an annual output of 400,000,000 cigars or about six per cent of the total output of the United States. The report has, however, been denied by the independent company.

pated by the grower. As a consequence we have had under-production for several years. Although "average" prices of cigar leaf are not always a safe guide, the following table does represent fairly the general tendency of the leaf market since 1900:

AVERAGE FARM PRICE OF CIGAR LEAF (1900-1905).¹

	1900.	1901.	1902.	1903.	1904.	1905.
Connecticut	15	15	16	15	22	17
Massachusetts	15	12	15	12	18	16
New York.....	8	7	8	8	10	10
Pennsylvania	6	6	6	7	8	10
Ohio	7	7	7	7	8	8
Wisconsin.....	7	8	7	6	7	10

This abnormally high price of leaf in the last few years has encouraged the free-trade agitators in their demands for a reduction of the high protective duties on cigar leaf. The home growers, however, were able to exercise sufficient political influence to prevent the passage of the "Payne Bill" which would have admitted the Philippine leaf, a cigar filler, at twenty-five per cent of the present tariff rate.²

Owing to the variety as well as the nature of the problems discussed, it is difficult to summarize the contents of this chapter. For the purpose of showing the hazardous character of the crop, as well as some of the larger problems in production, we began with a general description of some of the principal processes in the cultivation of tobacco. Since the abolition of slavery, the South has been confronted with a scarcity in the supply of efficient labor. With the collapse of slavery and the

¹ Cf. *Yearbook of Agricultural Dept. U. S.*, 1905, pp. 714-717.

² The bill passed the House, but has never been reported by the Senate Committee in charge of the bill.

plantation system, the large estates were soon broken up into small farms, and though the process of disintegration is not yet completed, it is being hastened by an ever increasing "absentee landlordism." In the absence of sufficient supply of wage labor, a large portion of the Southern land is leased to tenants who work under the crop-sharing system. After making allowances for differences in the fertility of soil, and farm improvements, we concluded that negro labor on the whole was not as efficient as "white labor." It is not, however, production but the marketing of goods that is bringing sleepless nights to the Southern planter. The Trust has forced prices down to a no-profit level. Controlling as it does from seventy-five to ninety per cent of the market (with exception of cigar goods), the Trust is in a position to dictate prices to the growers. The Northern grower of cigar leaf is temporarily enjoying high prices and large profits; but for him also is rapidly approaching the day of reckoning with the Trust. Unless our National Government should take decisive action, or some unforeseen event occur, to check the onward march of the Trust, we shall, in all likelihood, witness presently among the Northern growers a depression in the price of cigar leaf similar in effect to that experienced during the last decade by Southern growers.

CHAPTER III

THE MANUFACTURE OF TOBACCO

THE life history of any industry is largely determined by two forces, the technical conditions of production and the character of the selling market. Every transformation in the organization of an industry can be traced ultimately to some change either in the methods of production or in the methods of marketing the product. It is in this light that we interpret and explain the development of our present capitalistic system, in the progress of which competition has been the driving force. Intensified competition has in each instance been the result of, or necessitated by, some technical improvement within the industry, or some alteration in the world market. That the tobacco industry is no exception to this general rule will become apparent as we attempt to explain its development in terms of these two factors, conditions of production and the selling market.

With respect to conditions of production, we must distinguish between the manufacture of cigars and the manufacture of all other products—chewing and smoking tobacco, plug, snuff and cigarettes; the latter being machine-made, while the former are largely hand products. To this primary differentiation are due the many points of variation in the development of each branch of the industry.

Simple as are the steps, "bunch-making" and "rolling," in the making of a cigar, they have up to the pres-

ent time, baffled the inventor seeking to reduce them to automatic machine processes. "Bunch-making" consists in the selection of "filler" leaf, placing it into a "binder" leaf and shaping it into the desired form. "Rolling" involves merely a cutting of the "wrapper" leaf and rolling it around the "bunch." Upon the skill, or lack of it, in "bunch-making" depends the smoking value of the cigar. The difficulty sometimes experienced by the smoker in "drawing" the smoke is often due to some imperfect twist in the filler; a common defect in cigars made by beginners. To the art of rolling is due the external appearance of the cigar, which is no small factor in determining its sale. This brief description will enable the reader to understand why this skill, involving as it does accurate judgment and artful manipulation in bunching and rolling, has been only partially displaced by the machine and the unskilled worker.

Up to 1870 labor, and not capital, was the all-important factor in the cigar industry. The only tools employed were a small hand-knife for cutting the wrapper, an inexpensive board upon which the wrapper could be cut and the cigar rolled, and a block of wood with a stationary knife attached, known as a "tuck-cutter," for measuring and cutting the finished cigar to the required size. In 1869 a wooden "mold" was introduced, which aided the bunch-makers in shaping the cigar (the "bunch"). Except in all hand-made cigars, the mold is still universally used. It is a very simple device: a wooden block (about 18 inches by 6 inches by 3 inches), comprised of an upper and lower half; to the lower half is attached a row of matrices, into which the fresh bunches are placed; to the upper half is attached a similar number of "cups," shaped to fit tightly over the corresponding matrices. The "block" or "mold,"

filled with cigars, is then put into an ordinary hand-lever press. The mold is not a machine, but simply a tool which facilitates the making of bunches. It made possible, however, a division of labor into bunch-makers and rollers. Prior to the introduction of the mold each cigarmaker did his own bunch-making and his own rolling as he still does to-day in all hand-made work.

The introduction of the mold, however, did not revolutionize the organization of production. It was too inexpensive to embarrass the small producer with little capital, and, besides, it did not make large-scale production more economical than before. The use of the mold, however, has made possible the employment of a less skilled grade of labor, since a cigar made by hand requires several years of practice, whereas a beginner can be taught to make mold cigars in one year, and less. The substitution of a less skilled grade of labor was, however, open to small and large producers alike.

A more radical improvement in production has come within the last decade, with the introduction of bunch-making machinery, by which a short scrap filler bunch is made entirely by automatic machinery. The scrap filler is placed into a hopper, which apportions the quantity necessary for each cigar, rolls the bunch, places it into a mold and presses it. Human labor being necessary only in feeding the machine and in spreading "binders," which can be performed by unskilled operators, usually young boys and girls. This invention has made possible a saving not only in the quantity but in the quality of human labor. The machine, representing an investment of \$350, with an operator receiving \$5.00 a week, can produce 25,000 bunches per week, which, if done with molds (non-machine) would cost \$75. Here is a tremendous saving in the

cost of production by machine as compared with hand and mold labor. These bunching machines, however, are employed only in the production of cheap, short-filler cigars, in which the filler is first cut up into small flakes or "scraps." In the manufacture of these cigars no selection of filler leaf is necessary, as is the case in the ordinary long-filler cigar. As the largest proportion of our domestic cigars retailing at five cents and upward are made of long filler, most of our cigars are still made by a combination of hand and mold work; and a smaller proportion, scrap goods, are made by machine.

In addition to the bunching machine there is the suction tool (not a machine), which enables the roller to cut the wrappers with greater accuracy. By means of air pressure the wrapper leaf is drawn tightly over a perforated plate of the desired shape for rolling purposes; a small, circular knife is then guided by hand around a fixed track or groove on the plate. As this tool does not dispense with the skill and judgment necessary in placing the leaf, ready for cutting and rolling, its economic utility is still doubtful. To take advantage of the slight gain made in cutting after a pattern, large factories resort to a division of labor between cutters and rollers, since inexperienced and cheap labor can be employed in cutting the leaf. Machine production is, however, fast gaining ground and is responsible for the increased rate of concentration within the last ten years (1895-1905).

As a result of these methods of production, wherein hand labor has played a more important rôle than capital, the industry has been organized largely on the domestic (household) plan, and in large cities under the small sweat-shop system. The skilled worker, with a mere pittance of capital, can engage in business as an independent producer, relying on a local patronage for the

sale of his goods. As a consequence, the personal equation has been an active influence in determining the character of the industry. The entire market of a city or town is divided among many producers, each capitalizing, as it were, the trade dependent on his direct acquaintance and personal influence either with the retailer or with the consumer, and often with both. This local character of the selling market is further intensified by the opportunity offered to various petty retail stands—in barber shops, grocery stores, hotels, saloons—to profit by transient patronage, or a traffic of convenience. Although originally a resultant of the conditions of production, this local market reacts in turn to impede any movement toward concentration, the latter depending upon an impersonal extensive market. The Tobacco Trust, seeing in this traditional character of the market an obstacle in its path, is attempting to break down the local market or to overcome it by organizing its own retail agencies—the United Cigar Stores.

Turning to statistics, we are not surprised to find that the cigar industry is still in many hands. As late as 1895, twenty years after the introduction of the mold, there were no signs of a decided breaking down of the domestic system of production. It is only in the last decade (1895-1905) that there has been a marked tendency toward concentration in the large factories and a disappearance of the smaller ones. The following table represents the number of establishments and output since 1875:

¹ Based on annual *Reports of Commissioner of Internal Revenue*.

AVERAGE OUTPUT OF CIGARS PER ESTABLISHMENT.

	Number of establishments.	Total output per factory per year.	Percent increase per establishment.
1875	15,005	130,000	
1895	30,000	145,000	10
1905	26,700	290,000	100

As the maximum number of cigar makers in the country in 1895 was probably about 120,000, the average shop or factory would then be employing only four workers. Putting the maximum in 1905 at 150,000, the average would still be only six. Averages here are misleading. The actual situation presents on the one hand shops of one or two employees (including the owner), and on the other hand, large factories employing as many as one thousand workers.

In order to present more accurately the real character of the organization on the side of production, we give in the following table statistics for Pennsylvania, the leading cigar manufacturing state in the Union :

ORGANIZATION OF THE CIGAR INDUSTRY IN PENNSYLVANIA.

	Number of establishments.	Capital invested.	Employees.	Value of product.
1890.....	1967	\$9,471,276	17,385	\$19,978,000
1900.....	2664	13,836,368	25,045	31,483,141
1905.....	2774	22,082,487	30,320	39,079,966

Notwithstanding the fact that the above census figures include all factories having an output of \$500 or more, the total (2774) is only fifty per cent of the entire number reported by the Commissioner of Internal Revenue.¹ Even of those reported in the U. S. Census² (as given above) the average number of employees per establish-

¹ Cf. *Report of Commissioner of Internal Revenue* ending June, 1906.

² *Census of Manufactures, Bulletin 60.*

ment in 1890 was nine; in 1900, less than 10; and in 1905, only 11. The output per factory was only \$10,000 in 1890; \$11,000 in 1900, and \$15,000 in 1905. The movement toward concentration, stimulated by machine production, was greatest in the last five years. In Pennsylvania, for instance, where the domestic system has persisted with greatest vigor, seventy-eight establishments, less than three per cent of the total number (2774) produced fifty-four per cent of the entire product in 1905,¹ whereas, sixty-eight per cent of the establishments (1908) produced less than ten per cent of the entire product. In the following table is shown the distribution of output in small shops and large factories:

SUMMARY OF ESTABLISHMENTS FOR PENNSYLVANIA CIGARS AND CIGARETTES.²

Producing	Establishments.		Wage earners.		Value of product.	
	No.	%	No.	%	Amount.	%
Less than \$5,000....	1908	68.8	2,600	8.6	\$3,589,682	9.2
\$5,000-20,000	588	21.2	5,018	16.5	5,615,226	14.4
\$20,000-100,000	200	7.2	6,886	22.7	8,761,972	22.4
\$100,000 and more.	78	2.8	15,816	52.2	21,112,242	54.0

From this it appears that only nine per cent of the total number employed work in factories of two men or less; and over 62 per cent are engaged in establishments averaging 200. What is true of Pennsylvania is true generally of the other states. In New York State, for instance, 72 per cent of all the cigar and cigarette establishments³ manufacture only eight per cent of the product. In Ohio 75 per cent of the establishments produced, in 1905, only 14 per cent of the product, whereas 6.8 per cent produced 67 per cent of the pro-

¹ *Census of Manufactures Bulletin*, 60, p. 40.

² As Pennsylvania produces scarcely any cigarettes, the figures are practically for cigars.

³ *Cf. Census of Manufactures*, 1905, N. Y. *Bulletin*, 59.

duct. In Massachusetts 60 per cent of the factories produced 6.6 per cent, and 12 per cent of the factories produced 80 per cent of the total product. Making allowance for the output in the many small shops not reported in the census, it is safe to assume that less than twenty-five per cent of the total product of the country is manufactured in small shops of two or three workers, which were almost universal up to 1880, and very extensive up to 1890. Gradually but surely the large factory is crowding out the small shop.

Machine production is not the only factor making for concentration in the cigar industry. To this must be added the desire to economize by purchasing raw material on a large scale, not only the leaf, but boxes and labels. Furthermore, there is the decided gain in advertising and marketing expenses which, in the cigar trade, is no small item, since the value of a cigar depends so largely on a supposed reputation created by such advertisement. The many large factories existing prior to the introduction of machinery owe their position to their economies in the purchase of raw material, the cost of advertising and the expense of selling agents. It was these large factories that first encroached upon the market of the local producers, since the former found it necessary, as well as profitable, to extend their markets.

The largest cigar factories are located either near the tobacco fields or in proximity to a world labor market and are found in New York, Philadelphia, Boston, Chicago and Cincinnati. The important factories at Tampa and Key West are located there to be near the source of supply of raw material,¹ Cuba and Florida, and

¹ It has been charged that many of the manufacturers moved to Florida because of the possible advantage in buying cheap leaf tobacco smuggled from Cuba.

also to take advantage of Spanish-Cuban labor, which can be more easily induced to settle in those cities.

The following table gives the distribution of cigar manufactures among the leading states in this country:

PRODUCTION OF CIGARS SINCE 1880.

	1880.	1885.	1890.	1895.	1900.	1905.	Largest manu- facturing center.
	%	%	%	%	%	%	
Pennsylvania.....	19	23	27	28	26	28	Philadelphia.
New York.....	32	33	27	23	21	20	New York.
Ohio	9	7	7	10	10	8.8	Cincinnati.
Illinois.....	5	4	5	6	4	4	Chicago.
Maryland .....	...	...	...	...	6	6	Baltimore.
Virginia .....	...	...	...	...	5	8	Richmond.
Florida .....	...	...	4	3	4	4	Tampa.

The lead taken by Pennsylvania has been due to the profitable exploitation of child and female labor under the household system of production. A large quantity of cheap cigars and stogies is still made in this way in the homes of farmers during the winter months, and in the homes of the mine workers throughout the entire year. Cigars are thus produced at fifty per cent below the average non-union wage.

As a result of the economic waste involved in the disorganized character of the retail trade, the rate of profit on each unit sold must necessarily be high. When a business is apportioned among so many hands as is the cigar trade, large profits must be offered to the retailer as an inducement to carry in stock that particular line of goods. The cigar that is ordinarily retailed for five cents (\$50 per M.) is bought from the manufacturer or jobber for \$25 and \$30 per thousand, the cost of production approximating \$20 per thousand; so that the manufacturer's profit is 20 per cent and the retailer's 100 per cent. It is the elimination of this unusually

high rate of middleman's profit that the Trust aims to accomplish through the organization of its chain of up-to-date retail stores. By this development the Tobacco Trust is rendered complete in its organization from the purchase of the raw leaf to the sale of the finished product direct to the consumer. In our opinion, there is a distinct gain to the general consuming public through the concentrated organization of the cigar industry, provided the Trust is not in a position to enjoy a monopoly profit as a result of its position. A successful control of the selling market will mean a forward step in the direction of concentration on the side of production. For it is the trade of the small store and the small manufacturer that is being captured, and this will hence involve merely an addition to the working capacity of the large stores and larger factories.

Thus both factors seem to react upon each other in shaping the character of the industry: on the one side, every important change in methods of production has led to concentration, which, in turn, has made possible, because profitable, an extension of the market; and, on the other hand, every successful expansion of the retail market has signified a concentration in production.

In the manufacture of plug, smoking and chewing tobacco, snuff and cigarettes, the course of development has been similar to that of the cigar industry only more rapid. The production of "manufactured tobacco,"¹ cigarettes and snuff, however, was never carried on to the same extent, under the domestic system nor was its sale restricted, as was that of cigars, to so limited a local

¹ "Manufactured tobacco" includes plug, chewing and pipe smoking tobacco, and fine cut. We have followed here the classification used in the reports of the Internal Revenue Commissioner—manufactured tobacco, snuff, cigars and cigarettes.

and personal market. In these branches of the industry machinery at an early date became more important than skilled labor, and later, even crude labor was largely displaced by improved machinery. To-day only five per cent of the total cost of production is attributable to labor, whereas in the cigar industry labor still represents about twenty per cent.

The reason for the adaptability of machinery to the production of manufactured tobacco, snuff, and cigarettes, is obvious enough when we consider the nature of the products. In the manufacture of plug, chewing tobacco, or cigarettes, no selection and shaping of the leaf is required. The leaf, before it enters into the finished product, is cut up into flakes or shreds, or, as in the manufacture of snuff, is pulverized by power machines. The finishing of the product consists merely in shaping the raw material into the desired form, which can also be easily performed by machinery. Perhaps a detailed description of some of the important processes in the manufacture of a single product, like plug, will make clear the general technical conditions of the entire industry. The leaf must first be stripped; that is, the tough midrib removed. For this a machine has been introduced. As the leaf in one bundle varies in quality, a selection and classification is necessary for the different purposes. This is done by unskilled female labor. The leaf is then subjected to adulteration. Large vats of "sauces" and "flavors," the principal ingredients in which are sugar; licorice and alcohol, are prepared, into which the leaf is dipped. After it is saturated with this flavoring sauce; the leaf is passed through rollers or wringers, which squeeze out the surplus liquid. The sweetened leaf is next taken to a "lumping" room, where a machine cuts; presses and shapes it into the conventional form:

Finally the sweetened cakes are wrapped in carefully selected and attractive leaf. There remains further only the pressing and packing into cases. In all these processes it will be observed that where human labor is necessary, it is of a low and unskilled grade, the heavy work being performed by machinery.

What is said of the manufacture of plug, is likewise true of the other products—smoking and chewing tobacco, snuff and cigarettes—in connection with all of which machinery is more important than skilled labor. It is worth noting that in the manufacture of cigars, machinery has been successfully introduced only in the production of that class of goods which is not unlike cigarettes, that is, “scrap” or short filler cigars. It is necessary for the machine merely to measure the quantity of leaf and to roll it, but not to select and shape the leaf, as in the manufacture of long filler cigars.

The possibility of employing machinery and crude labor was not the only factor which led to large scale production. An important item in the market value of manufactured tobacco, snuff and cigarettes, is the element of uniformity. Once the customer is accustomed to a brand he will continue to use it, provided the quality can be sustained from year to year. Now, in order to maintain this uniformity, the manufacturer must be in a position to purchase from year to year the same quality of raw leaf. The large producer, rather than the small one, possesses this power, the choice of the latter being usually limited to that part of the crop which has not been selected by the large producer. As a result of this, the small manufacturer may often pay less than the large manufacturer, but his goods lack uniformity.

Another condition of the trade which favors the large rather than the small producer, is the importance of

advertising a brand. Notwithstanding the fact that each manufacturer uses a secret formula in the adulteration process, the products of one manufacturer are not fundamentally different in character or quality from those of his competitors. The sale of the finished commodity must accordingly be made on the basis of a created or fictitious reputation. Hence the value of advertising brands, which are always more economical when operated on a large scale.

Under such conditions the industry soon became organized on the basis of large-scale production. Improved and costly machinery, economy in the purchase of raw material in bulk, not only leaf, but adulterating ingredients, as well as labels and packing material, economy in advertising brands and in marketing goods, all have co-operated in favor of the large manufacturer as opposed to the small producer.

Although the output of manufactured tobacco in 1875 was far greater than that of cigars, there were only 980 tobacco manufacturers as compared with 15,000 cigar manufacturers. Subsequently each technical improvement enabled the large producer to increase his output at a less cost per unit, while he could easily dispose of his goods in the market which he had already organized and controlled. In 1860 and 1870 the average capital investment of a cigar factory was less than \$3,000, (chiefly circulating capital), whereas the investment in a manufactured tobacco factory averaged \$15,000 in 1860 and \$25,000 in 1870. Concentration in production since the Civil War is shown in the following table, based on census figures:¹

CONCENTRATION IN THE MANUFACTURE OF TOBACCO.

	1860.	1870.	1880.	1890.	1900.	1905.
Number of establishments.	626	573	477	395	437	433
Capital invested per establishments	\$15,000	\$25,000	\$40,000	\$75,000	\$100,000	\$400,000
Employees per establishment.	30	40	70	78	75	55
Output per establishment ..	\$35,000	\$70,000	\$110,000	\$165,000	\$235,000	\$270,000

Judged from the standpoint of capital investment as well as output per factory,¹ the above figures indicate a rapid concentration since 1890. A second inference from these data is the increasing importance of machinery in production. Although the value of the output from 1880 to 1903 increased from \$52,000,000 to \$116,000,000, (120 per cent increase), the number of workers engaged in the industry fell from thirty-two thousand to twenty-three thousand, (a decrease of 40 per cent). Anticipating here the Trust development, discussed in our following chapter, we desire to point out, in passing the extent to which large-scale production and concentration had been realized prior to the control of the industry by the American Tobacco Company in the nineties.

Parallel with the movement toward large-scale production has been a corresponding concentration in the localization of the industry. In 1905 more than 68 per cent of the total output came from eight cities—St. Louis, Durham and Winston (N. C.), Louisville, Richmond, Cincinnati, New York, Petersburg (Va.). The combined output of fifty factories in St. Louis, Louisville, Winston and Durham was \$60,000,000 or more than fifty per

States. This geographical concentration has been hastened by the Trust ownership and control of seventy-five per cent of the entire industry.

The location of these large factories has been determined by two factors: nearness to supply of raw material and proximity to the labor market. In general, the South, which produces the leaf used in manufacturing, has the largest output. The large plug and smoking tobacco factories of St. Louis, Louisville and Cincinnati are supplied with Burley leaf from Kentucky, Tennessee and Ohio. Winston and Durham are located in the regions of North Carolina that grow the leaf used in the manufacture of cigarette and smoking tobacco. These locations are favorable also for the employment of cheap labor—very large industrial centers and poor farming communities offering cheap labor, including women and children. In order to exploit the supply of cheap city labor, large snuff, smoking tobacco and cigarette factories are located in Jersey City, New York, Philadelphia and Chicago. Although the raw leaf for cigarettes is grown in North Carolina and Virginia, about fifty per cent of the entire output is made in New York City where machine operators can be engaged cheaply. In the tables on the next page is presented the geographical distribution of manufactures of tobacco and snuff and cigarettes.

In consequence of the importance of machinery and mechanical inventions in the manufacture of cigarettes this industry was the first branch of the trade to display a marked concentration in localization as well as in ownership. Hence it will not surprise us to learn that the American Tobacco Company began its activities in the direction of combination in the manufacture of cigarettes where a combination seemed feasible and practicable.

DISTRIBUTION AND LOCALIZATION OF MANUFACTURES OF TOBACCO AND SNUFF.

State.	1880. %	1885. %	1890. %	1895. %	1900. %	1905. %	Chief products.	Principal manufacturing centers.
Missouri	9	15	27	21	26	20	Plug smoking tobacco.	St. Louis.
North Carolina	8	8	9	9	13	18	Smoking tobacco.	Durham and Winston.
Kentucky	5	8	8	13	12	11	Plug smoking tobacco.	Louisville.
New Jersey	13	11	10	8	7	8	Smoking tobacco, snuff, plug.	Jersey City.
Virginia	26	21	14	12	8	7	Plug smoking tobacco.	Richmond.
Ohio	7	6	9	7	6	7	Plug.	Cincinnati.
Michigan	2	4.5	6	6	2.5	5	Smoking tobacco and plug.	Detroit.
Illinois	7	4	3	4	3.5	3	Smoking tobacco and fine-cut.	Chicago.
Maryland	3.5	3.5	5	3	4	4	Smoking tobacco and snuff.	Baltimore.
Tennessee .....	.1	.5	.5	.5	1.5	2	Snuff, plug-smoking tobacco.	Nashville.

DISTRIBUTION AND LOCALIZATION OF MANUFACTURES OF CIGARETTES.

State.	1880. %	1885. %	1890. %	1895. %	1900. %	1905. %	Principal manu- facturing centers.
New York	72	81	47	52	51	60	New York City.
Virginia	9	...	23	20	22	16	Richmond.
North Carolina .....	...	5	23	20	19	3	Durham.
Louisiana .....	...	...	...	...	1	10	New Orleans.

Along with the integration and concentration of production came a more scientifically organized selling market. The extremely high profits enjoyed by the retailer in the sale of cigars is in striking contrast with the rate of profits in the sale of manufactured tobacco. In the former, as we learned above, the rate averaged from 75 to 100 per cent of the selling price; whereas in the latter it approximates 25 per cent. Where the Trust control is strongest and competition least active, profits are lowest, as in cigarettes, in the sale of which gross profits for the retailer are only 20 per cent. •

The predominating influence of machinery in the production of plug, chewing tobacco and cigarettes has enabled our manufacturers to compete abroad, which is impossible in the cigar industry because of the relative cheapness of foreign labor. Our exported manufactured tobacco products, in 1905, of \$5,000,000 are practically restricted to plug, chewing tobacco and cigarettes. A detailed study of our foreign trade will be attempted in a later chapter. We refer to our foreign trade here merely as an illustration of the close relation between the particular character of the organization of an industry, with respect to capital and labor, and the marketing of goods in general.

In this chapter it has been our aim to interpret the development of the manufacture of tobacco in the light of technical improvements and of changes in the character of the selling market: the former working internally and the latter externally to transform the organization of the industry. The dependence of a cigar industry upon skilled labor and little fixed capital gave rise to a domestic system of production, which in turn resulted in the organization of a selling market along local and personal lines. Large-scale production, which originally

resulted from economies in the purchasing of raw material, is moving rapidly toward further concentration under the stimulus of machine production. The giant factory of one thousand workers has not yet succeeded, however, in dislodging completely the small shop employing no more than five men. The vast number of the latter, as many as 20,000 scattered throughout the country, still produce about 25 per cent of the entire output, and employ an even larger proportion of the entire number of workers. In the manufacturing of all other forms of tobacco, machinery and fixed capital have been more important than labor and hence the small producer has been entirely crowded out of the market. The economy of large scale production led to concentration of ownership, which finally culminated in the Tobacco Trust.

The conditions of production in the cigar industry made possible a labor organization which has been able to protect the interests of the worker. In the other branches of the industry, however, where only unskilled labor is required, the position of the worker must necessarily be different.

We have purposely avoided a thorough discussion of these last two problems—the Trust movement and the labor problem—since both are reserved for more extended study in the two succeeding chapters.

APPENDIX

COMPARATIVE SUMMARY OF MANUFACTURES OF TOBACCO SHOWING CAPITAL INVESTMENT, NUMBER OF WAGE- EARNERS AND VALUE OF PRODUCT

FOR ALL PRODUCTS COMBINED—PLUG, CHEWING TOBACCO, SNUFF,
SMOKING TOBACCO, CIGARS, CIGARETTES, ETC.

	1880.	1890.	1900.	1905.
Capital ¹	\$38,905,950	\$90,359,234	\$111,527,318	\$324,082,501
Wage-earners.....	86,053	116,790	142,526	159,408
Value of product ² .	125,773,631	195,563,862	263,713,173	330,117,681

The above table is based on *Census of Manufactures, 1905, United States*.

¹ Capital excludes stocks, etc., of corporation. It represents assets of the factory in operation.

² Product is valued at the factory and corresponds to cost of production.

CHAPTER IV

THE TOBACCO TRUST

UNLIKE many of our large industrial combinations, the Tobacco Trust does not owe its success to discriminatory transportation rates or monopolistic control of the supply of raw material, which have been predominating influences in the development of the Standard Oil Company, the United States Steel Corporation and other large trusts. Neither can its achievements be attributed primarily to the monopolistic possession of any superior method of production protected by patent rights. Similarly with respect to the marketing and sale of goods, it has enjoyed no resources denied, legally or politically, to its competitors. In a word, the Tobacco Trust stands forth as a conspicuous example of that type of industrial combination which owes merely to the magnitude of its working capital those advantages in production and distribution which enable it to crush competitors until it is in possession of a large part of the entire market. To discover what these specific advantages are and how they have been utilized in overcoming competition, is the main burden of this chapter. We have singled out for extended analysis only those features of the Trust which serve to characterize and explain its development. These are conveniently presented under the following heads: (1) genesis and history; (2) methods of competition; (3) economic advantages; (4) monopolistic features; (5) legal aspect; (6) financial operations and organization.

The genesis of the trust. Up to the middle of the nineties, cigar production, as we learned in the preceding chapter, was—as it is still to some extent—carried on under the household or domestic system. Machinery had not yet found its way into the industry. As a consequence, production as well as distribution, lay in many hands. The small producer, with his shop of three employees and a working capital of \$1500, supplied the local retailer in his particular neighborhood. In 1890 there were no less than 23,000 of these small producers, with an average annual output of \$5000. An industry so decentralized was not prepared for any large concentration of interests, much less was it susceptible to a trust form of organization.

In the manufacture and sale of plug, chewing tobacco, smoking tobacco, and snuff, conditions were more favorable for an amalgamation of interests. Improved machine production and modern methods of marketing goods led gradually to the extinction of the petty and local manufacturer and to the rise of large producers, catering to an extensive world market. In 1890 an output valued at \$65,000,000 was produced in only 395 establishments, employing on the average from fifty to one thousand workers. The smaller factories had each an annual output of \$100,000. Some leading brands, like "Duke's Mixture" and "Seal Skin," had a demand extending over several states. Notwithstanding this, there was no sign of a combination of interests in this branch of the industry until the American Tobacco Company began in the middle of the nineties to absorb and annex it to its successfully centralized cigarette business.

It was in the cigarette industry that the germ of the modern trust was planted. From the outset cigarettes were a machine product, and the business always lay in

few hands.¹ Subsequent to the introduction of several efficient machines, about 1890, principally the "Bonsack" and the "Eliot," came a war of destructive competition among the large producers in their struggle for the market. During this wasteful contest it occurred to Mr. J. B. Duke, the owner of the "Bonsack" machine, to attempt an organization of the largest manufacturers. At that time (1890) ninety-five per cent of the entire output was produced in four cities; New York City, Rochester, (N. Y.), Durham and Richmond. The five constituent companies² that formed the original American Tobacco Company controlled probably eighty-five per cent of the cigarette trade.³ Combination in the cigarette industry was furthermore relatively easier since the entire output was valued at \$9,000,000 compared with \$60,000,000 for manufactured tobacco, and \$100,000,000 for cigars.⁴ In explaining the origin of the Tobacco Trust in the cigarette industry, the above three factors must be considered together:

(1) Technical conditions of production, requiring a large capital investment, and making for large-scale production and concentration;

(2) Invention of machinery, leading to keen and wasteful competition to escape from which a combination of interests was a natural remedy;

¹ Cf. pp. 97, 98.

² W. Duke and Sons (N. Y. City and Durham), Allen and Ginter (Richmond), W. S. Kimball (Rochester, N. Y.), Goodwin and Co. (N. Y. City), Kinney Tob. Co. (N. Y. City and Richmond).

³ Mr. Duke estimated the original control at 80 to 90 per cent. Cf. N. Y. State Legislative *Investigation of Trusts*, 1897, p. 865.

⁴ The entire output of cigarettes (annually) was 2,230,000,000; estimating it at \$4.00 per M. (which was high in 1890), the entire value would approximate \$9,000,000.

(3) The size and extent of the industry offered no serious obstacle.

The five constituent¹ cigarette companies were organized, in 1890, into a single corporation, The American Tobacco Company, with a capital stock of \$25,000,000. There were now under a single control the largest cigarette factories, favorably located, equipped with the most efficient machinery, possessing the leading brands, and having about 85 per cent of the entire output of the country. Still it exercised then no monopolistic control. When the Eliot machine was released by the courts from the injunction imposed upon it, independent manufacturers were able to produce and compete on equal terms with the American Tobacco Company. Since it was impossible to control the supply of raw material, as its cultivation could easily be extended, direct competition in the selling market was the only weapon open to the Trust in its efforts to control the market. As far as we are able to learn, railroad rate discrimination was not enjoyed by the Trust in its contest with adversaries. Besides, transportation charges constitute so small a part of the total cost of production that it could not have been a decisive factor, even if it were practiced.

It was by a long-drawn battle of cut-throat competition that independent producers were forced to surrender. The most dangerous foe of the Trust was the National Cigarette and Tobacco Company, which was able to retail a package of "Admiral" cigarettes (twenty) for five cents, in direct competition with the famous Trust brand "Sweet Caporal," retailing ten for five cents. The Trust immediately began to offer to jobbers its leading and popular brands at cost price. The National Cigarette and Tobacco Com-

¹ *Supra*, p. 103, footnote 2.

pany could not hold out very long against the Trust with its immense capital. One by one the independent producers felt the deadly effect of competitive methods which we shall presently describe in detail. As early as 1896 the American Tobacco Company was practically in control of the greatest part of the entire cigarette market. The largest independent companies were finally absorbed, among which were the National Tobacco Works of Louisville, the T. H. Hall Cigarette Company of New York, and the Consolidated Cigarette Company, New York. In 1897 the American Tobacco Company was one of the several Trusts investigated by a committee of the New York State Legislature, as a result of which the directors were later indicted.¹

But legislative investigations and legal indictments did not check the growth of the Trust. By 1898 its capital stock had increased to \$70,000,000, much of which had been invested in the manufacture and sale of other products—plug, chewing tobacco, smoking tobacco and snuff.

This brings us to the second stage in the development of the Tobacco Trust—the concentration of the tobacco manufactures.² This step seemed as inevitable as it was feasible. In the first place, most of the large cigarette factories that were absorbed by the American Tobacco Company also produced, to some extent, these other products—plug and smoking tobacco, etc. Furthermore, it was apparent that the control of the sale of cigarettes to retailers was an entering wedge for the control of other products. By offering special rebates

¹ *Investigation of Trusts*, by New York State Legislature, 1897.

² Used here in the technical sense—manufactures of plug, smoking tobacco, chewing tobacco and snuff.

on leading cigarette brands, the Trust induced the retailer to push its new brands of plug and smoking tobacco. In 1891 the American Tobacco Company purchased three large producers of manufactured tobacco—the National Tobacco Works, Marburg Bros., and Gail and Ax Company. In 1895 it absorbed the very large firms of James G. Butler Tobacco Works (St. Louis) and the P. Lorillard Company of New Jersey. Many less important manufacturers also came into the Trust fold.¹

After purchasing the large plug interests of The Drummond Tobacco Company and the Brown Tobacco Company of St. Louis, the movement culminated in October, 1898, in the organization of the "Continental Tobacco Company," with a capital stock of \$75,000,000. This was confessedly a creature of the American Tobacco Company, having for its avowed purpose the concentration and control of the plug interests of the country. The capital which the American Tobacco Company had invested in the manufacture of plug was transferred to the Continental Company in exchange for \$30,000,000 of common stock of this new company. Mr. J. B. Duke was president of both companies—The American Tobacco Company and the Continental Tobacco Company. In its official announcement the Continental stated that it owned "the properties, rights, trade-marks, names, and assets, etc.," of the following concerns: John Finzer & Bros., Louisville, Ky.; P. H. Mayo & Co., Richmond, Va.; Daniel Scotty & Co., Detroit, Mich.; P. T. Sorg Co., Middletown, O.; Drummond Tobacco Co., St. Louis, Mo.; J. Wright Co., Richmond, Va.; Wright

¹ Among others were P. Whitlock Co., Richmond; Heinshein & Co., New Orleans; Ellis & Co., Baltimore; A. H. Motley & Co., Reldsville, N. C. Cf. *N. Y. State Legislative Investigation of Trusts*, 1897, p. 863.

Bros. Tobacco Co., St. Charles, Mo.; P. Lorillard Company, New Jersey (\$3,000,000 stock); American Tobacco Company's plug interests. The largest single plug producers, Liggett and Myers, of St. Louis, controlling no less than fifteen per cent of the entire trade, refused to amalgamate with the Trust, except upon terms more favorable to itself than the Trust offered. The Trust began immediately to encroach upon the markets of this firm, by selling the finished product ten per cent below the standard price, besides offering premiums to salesmen.¹ Liggett and Myers retaliated with a similar cut in prices. This competitive war was carried on for several months, when the Trust finally bought out its competitor (April, 1899) at a figure that seems abnormally inflated. The Trust paid \$12,500,000 for the entire plant, which was equivalent to \$1366 for each \$100 share of stock of the absorbed company.² To raise the sum necessary for this purchase, as well as to facilitate the absorption of two more companies,³ the Continental issued \$25,000,000 new stock. The stock issued seems often to have been out of proportion to the value of the properties absorbed by the Trust.

According to the first annual report of the Continental Tobacco Company, its capital stock was \$100,000,000, and its combined output of plug annually was 130,000,000 pounds.⁴ This implied that seventy-five per cent of the entire plug production was now in control of the Tobacco Trust, which, for several years past, also controlled a similar proportion of the cigarette trade. The

¹ Cf. *Commercial and Financial Chronicle*, vol. 67, p. 841 (1898).

² *Ibid.*, Oct. 2, 1898.

³ The Union Tobacco Co., of Albany, and The Buchanan and Lyall Co., Brooklyn.

⁴ Cf. *Commercial and Financial Chronicle*, vol. 70 (1900), p. 738.

Continental was launched with the aid of the Standard Oil influence. Messrs. O. H. Payne and Thomas F. Ryan remained actively interested in the future promotions of the Tobacco Trust, the latter being a director until his resignation in 1906.

In 1901 the two companies—the American Tobacco Company and the Continental—were amalgamated into a holding company of New Jersey, known as the Consolidated Tobacco Company. Although the avowed purpose of this new organization was to harmonize the interests of the two companies, it so happened that in the process of amalgamation the insiders incidentally pocketed a large part of the surplus funds, by methods which have long since come to be associated with “high finance.”

The operations of the Trust did not cease with the control of the markets for cigarettes, plug, smoking tobacco and chewing tobacco. In March, 1900, came a consolidation of the snuff business through the launching of a new concern, the American Snuff Company, with a capital stock of \$23,000,000. As in the formation of the plug Trust, so here, the nucleus was the property and the factories of the American Tobacco Company. The latter sold its interests for \$4,500,000 to the American Snuff Company, which was from the first a subsidiary organ of the Trust. The first official statement of the American Snuff Company showed that it owned in fee simple, or held the majority stock of the following snuff concerns: Atlantic Snuff Company, Philadelphia, Pa.; George W. Helme Co., Helmetta, N. J.; Southern Snuff Company, Memphis, Tenn.; Bruton & Condon, Nashville, Tenn.; Steward Snuff Company, Clarksville, Tenn.; W. E. Geret & Sons, Philadelphia, Pa.; Steward Ralph Snuff Company, Philadelphia, Pa.; Dental Snuff Company, Lynchburg, Va.; Helmetta Mercantile Co., Helmetta, N.

J.; Bowers Snuff Co. (American Tob. Co. Plant), Changewater, N. J.; P. Lorillard Company's plant at Jersey City. Their total output in 1900 approximated fifteen million pounds, which was practically the entire snuff production of the country. The total output to-day is twenty-two million pounds, of which the Trust controls probably ninety per cent.

In 1901 began the Trust movement for the assimilation of the cigar industry. In that year was organized the American Cigar Company, with a capital stock of \$10,000,000 with which to buy up independent manufacturers. An auspicious beginning was made in the purchase of one of the largest and best known producers of domestic cigars,—Smith, Powell and Company. This was followed in the same year by the absorption of the Hummel-Vogt Company of Louisville, and the P. Whitlock Cheroot Factory of Richmond, Va. Shortly afterwards the independents were startled by the report, which later proved to be authentic, announcing the purchase by the Trust of two very large independent producers,—the Brown Brothers Company of Detroit, having a capacity of 40,000,000 cigars annually, and the Roth, Bruner & Feist Company of Cincinnati. To keep pace with, as well as to hasten, the process of absorption, the capital stock of the American Cigar Company had been increased from \$10,000,000 in 1901 to \$40,000,000 in 1906. Negotiations are now pending (March, 1907) for the absorption by the Trust of the largest independent concern manufacturing domestic cigars, namely, the United Cigar Manufacturers Company, having a capital stock of \$20,000,000, and controlling seven per cent of the entire output of the country.¹

¹ The United Cigar Manufacturers Company comprises the three larg-

It is difficult to ascertain what proportion of the domestic cigar industry is now in the hands of the Trust; but it probably does not exceed twenty-five per cent. Several reasons may be assigned for the slow headway made by the Trust in this branch of the industry. As we pointed out in the preceding chapter, the cigar industry has been organized on a petty basis, on the side of production as well as of distribution. We learned, in that connection, how, until the introduction of bunch-making machines, the Trust had no decisive advantages over the small producer. Even to-day, the large independent manufacturer can produce cigars as cheaply as the Trust. To secure a monopoly of further inventions of cigar machinery, the Trust bought control of the International Machine Company, which held patent-rights on some recent inventions.¹

Turning to distribution, the Trust discovered that the selling market was not susceptible to easy control. In the sale of manufactured tobacco, a single retailer usually markets all products; so that once the Trust has secured a foothold with the retailer in any particular product, say cigarettes, it is relatively simpler to extend control over the sale of the other commodities—plug, chewing and smoking tobacco and snuff—than it is to gain control over many retailers who carry in stock only cigars. In the latter case the undertaking is equivalent to gaining control over a new industry. The Trust is further handi-

est single establishments in the country—Kerbs, Wertheim and Schiffer; Hirshorn, Mack and Co.; Straiton & Storm Company. Their net earnings in 1905 were \$1,262,787.

¹ It was reported recently in the *Tobacco Trade Journal*, Feb. 19, 1907, that the Trust had installed in its factories at Kingston, N. Y., some new cigar machines which perform automatically all the processes from making of the bunch to wrapping the cigar and cutting off the "tuck."

capped by the fact that its goods are non-union. The Union label is an important factor in the retail cigar trade. Over twenty per cent of the entire output bears the label.

With no decisive advantages in production over the large independent producers and with the retail market organized on a petty, local, and personal basis, the Trust found it necessary to invent new instruments with which it could overcome some of the initial obstacles in its path. It decided upon the organization of its own retail agencies as the most effective means of capturing the cigar market. Here was a direct method of placing the Trust goods in the hands of the consumer without the aid of a middleman, either wholesaler or retailer. The chain system of the United Cigar stores has been remarkably successful. The Trust has to-day something like one thousand stores, located in every large city in the United States. It is said to have over three hundred in New York City. Every advance in the control of the retail market means an added step in the direction of concentration in production. A further extension of the chain system of retail agencies is the recent organization of the National Cigar Stands Company, which aims to control the cigar trade of drug stores. This subsidiary company of the Trust already controls the retail cigar stands in the leading drug stores of the country. The National Cigar Stands Company supplies the outfit, show-case, all advertisements, and window display, on condition that the proprietor of the drug store, besides paying a small rental fee for the use of the outfit, consent to carry only such goods as are permitted by the National Cigar Stands Company. Although the United Cigar Store Company has declared a seven per cent dividend annually for three years, the American Cigar Company,

through which the Trust conducts its cigar manufacturing business, has not yet declared any dividends on its common stock.¹ The Trust controls the stogie trade through the American Stogie Company, which produces practically the entire output of the country. It has a capital stock of \$12,000,000.

The most profitable branch of the cigar industry is the manufacture and sale of Havana goods, domestic and Cuban made. In 1902 the Trust began operations to absorb this trade. The Cuban manufacturers were already largely concentrated in three companies, the Henry Clay and Bock Company (an English concern), The Havana Commercial Company (an American Company), and the Cubanas Company. In 1902 the Consolidated Tobacco Company, which was then the Trust holding Company, secured control of each of these three companies, which were ultimately (1902) merged into the present Havana Tobacco Company.² Although the Trust controls about fifty per cent of the Cuban-made cigar trade, the Havana Tobacco Company has never succeeded in earning dividends for its common stock, which has generally been quoted below thirty on the market and in 1906 went down to ten. It is said that the reputation which the Cuban cigar once possessed in America and in Germany is now being impaired under the Trust control, as a result of a deterioration both in the quality of leaf and in the workmanship employed in its manufacture. The largest American importers of Havana goods are Park and Tilford, and the Waldorf Segar Company, both handling, almost exclusively, goods of independent (non-Trust) manufacturers.

¹ It has outstanding to-day \$20,000,000 four per cent gold bonds, \$10,000,000 six per cent preferred, \$10,000,000 common stock.

² Cf. *Commercial and Financial Chronicle*, vol. 74, p. 1142 (1902).

An interesting chapter in the development of the Trust is its movement in foreign markets that were open to competition.¹ The American Tobacco Company was so successful in Japan that the government was forced to take over the industry; the profits which seemed on the verge of passing into the coffers of the Trust, now go to the government treasury.² In 1901 the Trust caused consternation among the German manufacturers by obtaining control of the Jasmatzi cigarette works of Dresden, and purchasing later some minor concerns. The outcome of the struggle for the German market is still undecided. In 1902 the Mexican tobacco interests passed into the hands of the Trust at a cost of \$9,000,000.

The most interesting phase, however, of the Trust movement abroad came in Great Britain. The story is a long one and filled with many exciting incidents, of which, here, only the important can be mentioned. In 1901 the Ogdens Limited, a large company of Liverpool, was bought up by the British Tobacco Company, a creature of the American Trust. The Ogdens Company immediately began to cut prices on cigarettes to English jobbers. This led the independent manufacturers and wholesalers to combine their interests, and they organized the Imperial Tobacco Company³ to fight the American Trust. The competitive struggle between the two

¹ The governments of France, Italy, Austria, Spain and some minor European countries exercise a monopoly (*Régie*) over the tobacco trade.

² Japan's complete monopoly of tobacco went into effect in 1904. It now not only exercises control over the sale of leaf as formerly (1896-1904), but also directs the sale of the manufactured product, from which it derives a large revenue.

³ The Imperial Tobacco Company was comprised of the thirteen largest manufacturers of Great Britain, and had a capital stock of one hundred million dollars.

giant companies was intense and wasteful to both parties. The Imperial offered to distribute annually \$750,000 to those dealers who agreed not to handle, for a period of years, goods of the American Company. Ogdens Limited retaliated by offering to dealers who agreed to handle their goods (not exclusively) for four years, a participation in the net profits of the Ogdens Company besides a bonus of \$1,000,000 annually. About 4,500 English dealers were induced to accept the enticing offer of the Ogdens Limited, in which it promised to distribute pro rata annually, \$1,200,000 (\$1,000,000 bonus and \$200,000 net profits.) Such a procedure meant a losing game for the American and the English manufacturers, and consequently something had to be done to remedy the situation. The natural outcome resulted: the two companies came to an understanding. The Imperial Company paid Mr. Duke, head of the American Trust, \$7,500,000, as a bonus for withdrawing from the markets of Great Britain. The American interests, moreover, were given an option on one-third of the \$100,000,000 stock of the Imperial Company. To prevent a repetition of wasteful competition in neutral foreign markets, the British-American Tobacco Company was organized to control the trade. The Imperial (English) Company was given a one-third share of the \$30,000,000 stock of the British-American Company, the American interests reserving two-thirds. The former has six and the latter twelve representatives on the board of directors, of which Mr. Duke is President.

But what about the agreement which the Ogdens Limited had made with the 4500 English tobacco dealers? The latter claimed that when the Imperial purchased the Ogdens Company, it assumed legal responsibility for *all* its contracts, including the one which

entailed a distribution of about \$11,500,000 to the dealers in return for their agreement to handle the goods of the Ogdens Limited.¹ The case was carried into court, finally reached the Court of Appeals, which decided in favor of the British dealers, and against Mr. Duke and the Imperial Company. A settlement was finally made, favorable to the dealers.² The important point to remember is that the American Trust displayed its real fighting force as a competitor in the English market and that it brought about an understanding between the largest English and American producers.

In 1904 a reorganization of the Trust occurred, whereby the three companies—the original American Tobacco Company, the Continental Tobacco Company, and the Consolidated Tobacco Company (a holding company) were merged into one. By this merger all the property, plants, capital stock, etc., of the parent and subsidiary companies passed into the control of a single corporation—the American Tobacco Company of New Jersey, with an authorized capital of \$300,000,000, but with an actual issue of \$251,710,000. Besides controlling about seventy-five per cent of the entire American trade in cigarettes, plug, chewing and smoking tobacco, and snuff, and about twenty-five per cent of the cigar indus-

¹ The dealers were promised an annual bonus, for four years, of \$1,000,000. But they also demanded their share of the \$7,500,000, which Mr. Duke received as bonus for withdrawing from the field, claiming that this was part of the profits of the Ogdens Limited, which profits were, by contract, to be distributed to them. Mr. Duke, on the other hand, maintained that, when he received the bonus from the Imperial he was acting in his personal, not official, capacity, and consequently the bonus was not part of the profits of the Ogdens Limited.

² For detailed information concerning the Trust movement in England, cf. *Commercial and Financial Chronicle*, vol. 74, p. 632; vol. 75, p. 735.

try, it also possesses its own licorice plant, tin-foil factory, pipe manufacturing company, machine company and retail as well as wholesale agencies and controls directly some tobacco land in Cuba and in the United States. Since 1904, its activities have expanded. The real magnitude of this \$450,000,000 Trust will be more fully appreciated when we consider, in another connection, its financial operations. The circle of the Trust organization is now practically complete from the ownership or control of tobacco lands to the manufacture of products and the marketing of goods. In no other industry has there been developed so complete and so splendid an organization as the Tobacco Trust.

So much for its genesis and history. The question which naturally suggests itself is, how did it attain its present power? As we stated at the outset, its development has not depended upon any railroad-rate discrimination or legal franchise denied to its competitors, nor upon the ownership of the supply of raw material. Nor has its success been the result of any advantages or economies in production such as are usually claimed for the trust form of organization. In our opinion very little economy in production is achieved by extending the size of a tobacco establishment beyond the point already attained by large independent manufacturers. Such economies as the Tobacco Trust has enjoyed, may or may not rebound ultimately to its advantage. That its present position has been due to these economies, cannot be maintained. It is our belief that its supremacy has been gained by, and still rests upon, the employment of methods of competition which are ordinarily considered unfair; and that these methods are made possible and practicable by the mere size of its working capital. It is to a detailed consideration of some of these methods of competition that we will now direct our attention.

Methods of Competition. The most familiar as well as the most effective method has been that of "local competition"—underselling a single competitor in his own limited market, while sustaining prices elsewhere. This device is feasible only for large companies that can make temporary sacrifices for the possibility of greater returns in the future. Its efficiency has been so often demonstrated, particularly by the Standard Oil Company, that we need not multiply instances in the case of the Tobacco Trust. In the early nineties to check the sale of "Admiral" cigarettes manufactured by an independent concern (The National Cigarette Company), the American Tobacco Company offered its leading brand, "Sweet Caporal" cigarettes, at cost price *exclusively* in regions where the Admiral was being successfully marketed. The National Company surrendered soon afterward. In 1901, the American Tobacco Company was selling "American Beauty" cigarettes for \$1.50 per thousand, less two per cent discount for cash, when the Revenue Tax alone was \$1.50 per thousand. This was done, however, *only* where the Wells-Whitehead Company had succeeded in marketing its most popular brand, the "North Carolina Bright" cigarette.¹ New York jobbers found that by purchasing their cigarettes from North Carolina jobbers, after paying a slight premium in addition to freight charges, they would pay less for them than by buying direct from the Trust in New York City. Again, in 1906 the Ware-Kramer Tobacco Company of Norfolk, Va., entered a complaint with the Bureau of Corporations, charging the Trust "with maintaining one price on their products in the North and another in South." In the North the Trust price for cigarettes was from \$3.90 to \$4.00 per

¹ Cf. *Report of Industrial Commission*, vol. 13, pp. 337-338.

thousand, whereas in the South, where the Ware-Kramer Company was marketing its goods, the price on the same brand was reduced to \$3.15 and \$3.25 per thousand.

This local competition which helped to build up the Cigarette Trust, was practiced in the sale of other products. During the struggle for the plug market between the Continental and the large independent producers, Liggett and Myers, the former was offering its "Battle Ax" brand for thirteen cents per pound, which was below the cost of production since the tax was six cents and the raw leaf seven cents per pound. After Liggett and Myers was absorbed, "Battle Ax" rose to thirty cents per pound.¹ To what extent local competition can be carried on may be judged from the success achieved by the Trust in England and Japan.

An instrument frequently employed in making this local competition effective, is that known as the "Factors' Agreement," or the "Consignment Agreement," whereby the jobber is offered special rebates for agreeing to handle Trust goods exclusively, or to boycott independent brands. While a two and one-half per cent commission was allowed jobbers who did not discriminate against Trust goods, seven and one-half per cent was given to those who handled Trust goods exclusively.

There is published in the "Investigation of Trusts"² a long list of jobbers whose orders for Trust goods were not filled because they carried in stock independent goods. To injure the marketing of goods manufactured by the United States Tobacco Company, the Trust altered its price list whereby the jobber was to receive

¹ Cf. *Report of Industrial Commission*, p. 339.

² Cf. *Investigation of Trusts* by N. Y. State Legislature, 1897, pp. 913-921; also *Report of Ind. Com.*, vol. 13, pp. 333-335.

not as formerly, a uniform profit of two cents per pound, but one cent profit outright, and a five and one-half per cent special discount, provided he handled only Trust goods.¹ Although Mr. Duke in his testimony before the Industrial Commission in 1901 stated that the Trust no longer employed this Factors' Agreement, it was shown in court only recently (1906) that it was still in vogue in Massachusetts, since it was proved conclusively that special rebates were given to jobbers who agreed not to handle certain independent brands.² The large jobbing concern of E. Locker Company of Brooklyn, was recently unable to have its orders filled by the Trust, the Courts holding that the Trust had the legal right to refuse to sell to whomsoever it saw fit.³ This Factors' Agreement is especially potent in crushing any new competition in markets already controlled by the Trust, for the jobber is loath to risk his assured profits, derived from the sale of established Trust brands, in exchange for the doubtful income from new, independent goods. Under such conditions potential as well as actual competition is reduced to a minimum. In a recent speech, Mr. H. D. Mills, President of the Independent Tobacco Manufacturers Association, said, "that the Trust had the jobbers, who are the distributing agencies of manufactured goods, in such a position that it was almost impossible in some sections of the country for independent manufacturers,

¹ *Report of Industrial Commission*, vol. 13, p. 306.

² *Cf.* Case of Commonwealth (Mass.) *vs.* Strauss, 1906. While the Trust won its case on some technicality, the courts upheld the constitutionality of the State Law forbidding this practice.

³ The Trust was interested in building up its own wholesale agency in Greater New York, and hence refused to supply independent jobbers with their established brands. The Metropolitan Tob. Co., a Trust concern, is now in control of the N. Y. jobbing market. *Cf.* E. Locker & Co. *vs.* The American Tobacco Co. (N. Y., 1906).

even though they had an established trade on their goods (elsewhere), to get them distributed;" that is, in territories controlled by the Trust.¹

Closely allied to the methods of local competition and the Factors' Agreement, is that known as "Brand Imitation." This is a most direct form of destructive competition: it consists in selling at reduced prices brands which are apparently imitations of popular brands of independent manufacturers. A recent instance of this is the marketing at a low figure by the Trust of the "Central Union" smoking tobacco in direct competition with the "Union Leader" of the United States Tobacco Company.² The Trust distributed its "Central Union" free of charge to jobbers, in order to ruin the "Union Leader." It was not until the reputation of the independent brand had been seriously damaged, that the courts enjoined the Trust from further free distribution, where the intent to injure the property of another was so apparent. Similarly the Trust marketed at a low price a brand in imitation of the "Qboid" tobacco manufactured by Larus and Brothers, Richmond, Va. The Trust is also charged with having purchased large quantities of popular brands and having offered them to the public at a ridiculously low price in order to bias the public against its real merit and quality, the assumption being that a brand, a cigar, for instance, that sells below price, say two for five cents, must be of an inferior grade. As the value of a brand is one of the important assets in the tobacco trade, these methods are very ruinous to independent manufacturers who cannot withstand a persistent attack from the Trust.

¹ *Cf. Tobacco*, trade journal (weekly), N. Y., Oct. 25, 1905.

² *Cf. U. S. Tobacco Co. vs. The American Tobacco Co., and McGreeny and Maning*, 1925 Mass.

Another means of underselling competitors is the use of the *coupon system*, whereby the consumer receives a premium certificate equivalent to a ten per cent rebate. The coupon system is especially valuable in the tobacco trade because it serves as a substitute for the cutting of prices; the latter being difficult, owing to the existence of conventional and convenient prices, five cents and multiples of five. It is more feasible to give coupons than to reduce a five-cent cigar to four cents. Since much of the tobacco trade is transient, the successful operation of the "premium" plan depends upon a wide distribution of stores that offer the coupons, as through a chain of retail agencies like the United Cigar Stores. Recognizing the impracticality of this system for individual producers catering to a limited market, the independent manufacturers have adopted a general stamp or trade-mark for all independent brands.¹

We have already spoken of the operation of the Trust retail stores as an added source of direct income through the elimination of the middleman's profits. Equally important are the incidental advantages derived from this organization of the retail agencies. It is often employed as a weapon in driving out of business those retailers who incur the disfavor of the Trust. The installation of a United Cigar Store is a signal for the independent retailer to beat a retreat. Nor must we overlook its value as an advertising medium for Trust brands. When the consumer has been educated by the United Cigar Stores to the use of Trust goods he is likely to continue his demand for them in independent as well as Trust stores.

The Tobacco Trust has developed a unique method of

¹The leading independent manufacturers are in this association. Cf. *Tobacco* (trade journal), N. Y., Oct. 28, 1905.

competition in its efforts to curtail the sale of any particular line of goods which it desires to keep off the market.' In order to check the growing popularity of "scrap" goods, the Trust has made its sale unprofitable for manufacturers by increasing the price of raw material. To compete with plug and chewing tobacco, the scrap leaf must be bought for no higher than ten cents, which was the maximum price for a number of years. When the Trust decided, however, that scrap goods must not come into competition with their products, it forced up the market for scrap-cuttings until its price reached twenty-five cents per pound. This necessitated an increase in the selling price to retailers, who found it unprofitable to market their goods. Where the retailers did continue to carry it in stock, the Trust sold their scrap goods at the old price, which, of course, the independent manufacturers could not do without loss. The result was that some of the large independent manufacturers of scrap goods were driven out of business or absorbed by the Trust.

These have been, and are still, some of the methods employed by the Trust in obtaining control of the market and in crushing all dangerous rivals. Its policy has been to balk at no temporary expenditure for the sake of ultimately capturing the market. Large independent manufacturers maintain that with the selling agencies open to them on fair terms, they can compete successfully with the Trust; the implication being that the latter has no decisive advantages on over its rivals in producti. The present contest may be likened to a struggle between two contending armies, possessing equal skill, and differing only in numerical size; the larger one by tem-

porarily sacrificing greater numbers can ultimately overcome the smaller foe. It seems like the victory of sheer brute force, which in the case of the Tobacco Trust takes the form of the large working capital fund, which enables it: (1) to undersell in local markets for a considerable length of time, while sustaining prices elsewhere; (2) to offer special rebates and discounts to jobbers who discriminate against independent manufacturers; (3) to distribute free, or sell below the market price, imitation brands in order to injure competitors, which it can do for some time even at the risk of incurring damages for legal infringement; (4) to establish a premium coupon system as well as the organization of its own retail agencies, which are employed incidentally to drive out of business those retailers who refuse to obey the Trust orders; (5) and to render business in a certain branch of the industry unprofitable by increasing abnormally the price of raw material. The Trust has at one time or another employed successfully these methods of competition in getting control of the market.

Economic Advantages—There are those, however, who maintain that the Trust owes its position to advantages and economies in production and distribution which accrue only to a Trust form of organization. What these advantages are we now proceed to investigate. In reply to a question concerning these advantages, Mr. J. B. Duke, the President of the Tobacco Trust, stated: "I think the main advantage is in the combination of talent." Though Mr. Duke did not proceed to explain, his idea was probably that the Trust form of organization fur-

When the Trust was first organized, in 1890, it had control of the most efficient machine, the *Bonsack*. Shortly afterwards it secured control of the "Allison,"¹ a competing machine. The efficiency of the best organized factory was immediately transferred to all its cigarette plants, and in some cases the less efficient plants were entirely dismantled. The producing capacity, for instance, of the Goodwin & Company (New York) factory was transferred to a more efficient factory, the W. S. Kimball & Company, Rochester, N. Y. Recently the manufacturing capacity of the Kimball company was removed to the Durham factory (N. C.). The Hall Cigarette Company and the Consolidated Cigarette Company, each employing about four hundred hands, were combined into a new and single factory in New York City.² This process of concentration has gone on constantly. When the Continental Company was organized in 1898 and acquired control of the plug interests of St. Louis, the output of the six leading factories was turned over to the two largest and most efficient ones, the Liggett & Myers Company and the Drummond Tobacco Co.

Where the Trust is in possession of some superior and patented machinery there is some economy in concentration, but where it enjoys no such monopolistic right, then the Trust merely hastens the introduction of improved methods of production throughout that part of the industry over which it exercises control. Technical efficiency on the side of production becomes the common property of all the large independent competitors in any industry. A proof of this is the fact that there still exist

¹ Mr. Duke organized the Allison Machine Co. in order to control the Allison Machine. Cf. N. Y. State *Investigation of Trusts*, pp. 894, 895.

² *Ibid.*, pp. 860, 875.

active competitors in the manufacture and sale of plug, chewing and smoking tobacco, who must surely produce as cheaply as the Trust, since otherwise they could not withstand the advantages which the latter enjoys in marketing its goods.

In two ways the Trust enjoys a slight advantage in the employment of labor. First, by its extensive operations the Trust can shift its productive capacity to those factories where labor is cheapest. The independent producer might also ultimately establish his factory in the locality where labor is cheapest, but he cannot do so with the ease and rapidity possible under a Trust organization, which has many factories located throughout the country. For instance, when it was discovered that cheap child and female labor was available in the South, the Trust dismantled some of its northern factories, and transferred their capacity to Clarksville, Tennessee, and Durham and Winston, North Carolina, where some of its other factories are located. When the Trust was in need of cheap labor for making cigars, it located a factory in the heart of the Italian quarter in New York City where cheap, immigrant labor was available.

A greater saving in labor-costs arises from the employment of non-union workers. The Tobacco Workers Union has not been able to cope with the gigantic Trust. In 1895 the former was so disrupted that it found a reorganization necessary, and to-day it is still very weak both in membership and in actual power. When the plug factories of St. Louis were absorbed by the Trust in 1898, wages declined twenty-five per cent in the Drummond factory.¹ The Trust refuses to bargain col-

¹*Cf. Report of Industrial Commission*, vol. 8, pp. 399-405; testimony of the President of the Tobacco Workers' Union.

lectively with its workers. On the other hand, the independent manufacturer is not in a position to antagonize the Union. To take advantage of the consumers' anti-Trust sentiment, the independent manufacturer generally unionizes his goods in competition with the non-union goods of the Trust. The difference in wages between union and non-union labor is from ten to twenty per cent. It must be remembered however that wages of labor constitute less than ten per cent of the total cost of production.

In the purchase of leaf, the independent manufacturer stands on the same footing with the Trust. Where the latter has forced prices down, the independent manufacturer has profited equally. Some economy is probably effected by the Trust in being able to use its leaf to the best advantage, since the extent of its manufactures makes possible a finer grading and selection of leaf for each product. As independent factories are located side by side with Trust factories, there is no saving in the transportation of leaf to the factories. There is however some economy for the Trust in the elimination of cross-freighting, since it can fill its orders for finished products from many factories instead of from a single one. As transportation charges form, however, only two per cent of the entire value of the finished product, this economy, though appreciable, cannot be very important as a determining factor in competition for the market.¹

In the marketing of goods, the Trust does effect some important economies. We have already pointed out the value of advertising and popularizing certain brands.

¹ Cf. *Report of Industrial Commission*, vol. 6, pp. 207-321, for discussion of transportation charges in the distribution of tobacco. Cf. also *Twelfth Census, Manufactures*, special report on "Tobacco," pp. 650, 660.

There is a double saving for the Trust in the cost of advertising: first, because of the large quantity of material and labor required, the cost per unit of advertising is less; second, its advertising is concentrated on fewer brands, not only reducing the cost per unit, but also getting better returns from this form of advertising.¹

More important, however, is the reduction or elimination of the jobbers' profit in marketing the finished products to the retailer. In proportion as competition among manufacturers is curtailed, the jobbers and retailers must necessarily sell at a lower margin. Once the Trust is in control of seventy-five per cent of the market for any particular kind of merchandise, it can dictate the conditions under which such goods are to be sold. Jobbers sell to-day on a basis of two per cent gross profit. Where the Trust fails to control the retailer indirectly through the jobber, it can fall back on its own retail agencies, as has already been pointed out. It must be remembered, however, that the economy resulting from a reduction of the jobber's and retailer's profit is the result of an effective control of the market, and is not an original factor in determining the initial success of the Trust.

Another source of economy is the power to demand prompt settlement of all outstanding accounts. The petty manufacturer must frequently wait from two to four months for payment, whereas the Trust's merchandise is paid for within thirty days. Closely akin to this is the economy resulting from the employment of fewer commercial agents not merely in the collection of accounts but in the sale of goods. With the concentration

¹ According to the figures given in the annual reports of the American Tobacco Co., the advertising fund has averaged about \$500,000 in the last five years.

of the Tobacco manufacturers in 1898, not only was there a reduction in the number of salesmen, but less expensive men were employed. In the sale of certain long established Trust brands, in cigarettes, plug and smoking tobacco, agents are not required; orders for such being sent by mail.

It must be admitted that some of these advantages imply a social economy, a releasing, so to speak, of social energy. To the extent that the Trust makes possible the operation of its business by fewer men, it is a social economy, and deserves to enjoy the profits arising from it. To the extent that a large quantity of goods can be manufactured by the most efficient machinery, the Trust is likewise socially useful. It is a mistake, however, to believe that it is to these economies that the Tobacco Trust owes its position. These are important, but incidental, advantages which have been made possible only after the Trust has attained success. This success, however, is attributable to the methods of competition, which have already been described.

Monopoly features—In the light of what has been said, are we justified in calling the Tobacco Trust a monopoly? If by this is implied the complete absence of competition, then we are not justified, for in every branch of the tobacco industry, from the purchase of leaf to the sale of the manufactured product, there is at least some competition.¹ But although it has not completely annihilated competition, it has succeeded in preventing it from rising above a certain point.

¹ There is at least one exception; in the manufacture and sale of licorice, it was shown that the Trust did exercise a virtual monopoly. Cf. *N. Y. State vs. MacAndrews, Forbes & Co.*, 1906. This Trust concern was found guilty of being a conspiracy in restraint of trade. Since this conviction, the price of licorice has fallen considerably.

So long as leaf tobacco can be grown and purchased freely, as is the case; and so long as in the manufacture of tobacco the Trust enjoys no monopolistic privileges entailing the use of superior methods of production; through the possession of patents, etc., and so long as the selling market is organized as at present, preventing absolute control by the Trust; under such conditions there must always be some degree of actual and potential competition. The competitor, however, cannot extend his activity very far without coming into deadly conflict with a foe that is equipped with greater engines of war; for mere size, as shown above, enables the Trust to employ methods of competition denied to any ordinary single competitor. Equal competition can exist now only for an adversary that is armed with as great a capital fund as the Tobacco Trust, and is equally willing and able to make present sacrifices for the sake of larger rewards in the future.

This power of the Trust has been used in two ways: to depress the price of leaf, and to curtail the profits of the middlemen. The fact that the consumer may not suffer from this does not make the Trust less of a monopoly. This monopoly power may consist, not only in reducing the profits of the farmer and jobber, but also in reserving for itself a certain area of industrial activities. It is as if the Trust had put a fence around a section of the industry and warned off competitors with a "no trespassing allowed" sign. In most discussions of the problem this latter function of the Trust is too frequently lost sight of. For the ability to retain and enjoy the ordinary profits of a business which under other, freer conditions, might be lost to competitors is equivalent to a monopoly power. Whether we call it a monopoly or not, that power exists and operates.

Legal aspect—The courts, however, have for the most part not entertained this view. In the case of *E. Locker & Company vs. the American Tobacco Company*, a State Supreme Court held that the mere size of a business, however large, does not make it a monopoly, though it was shown, in this instance, that the Trust controlled eighty per cent of the business. The attorney for the Trust contended that it may be necessary and proper in the course of business "to kill a competitor financially," as was proven to have been done in this case. The plaintiff tried to collect damages from the Trust for the latter's refusal to supply the former with goods. To the plaintiff Judge Marean replied: "you start with the proposition that nine-tenths of the tobacco in the United States is owned by one concern—the American Tobacco Company. It appears to me that you are suffering from the lawful powers that go with such an ownership. I do not understand that they can be compelled to sell you." In New Jersey the courts held that the Tobacco Trust had the legal right to impose upon the jobber as a condition of sale that the latter should not traffic the goods of independent jobbers. While in Massachusetts the Trust is restrained from this practice, it is permitted by law to make "exclusive" sales to jobbers who carry only its goods. In effect there is no practical difference.¹ In Missouri the merger of the tobacco companies was declared to be within the law.² In a word, our State courts legalize the methods of competition which have enabled the Trust to attain its present position and control of about seventy-five per cent of the tobacco trade. Under our present system of

¹ *Commonwealth vs. Strauss*, Supreme Court of Mass., (1906).

² *State vs. Continental Tobacco Company*, 1903.

State laws there is little hope therefore of securing satisfactory regulation of Trusts.

Federal regulation through the operation of the interstate commerce act is equally ineffectual, since the Supreme Court of the United States declared that *manufacturing* is not in itself inter-state commerce.¹ A compulsory Federal licensing act, like that recommended by President Roosevelt and the recent Commissioner of Corporations, J. A. Garfield, might provide some remedy for existing evils.² Should the courts reverse their decisions and declare *manufacturing* to be an act of interstate commerce, even then this proposed law might be nullified by an arrangement on the part of the Trust whereby its selling and marketing of goods would be confined within state boundaries. So long as there exists this distinction between State and inter-state commerce, the spirit of remedial legislation is apt to be defeated. Plainly what is needed is a thorough-going Federal code regulating commerce and industry, such as Germany enjoys to-day. With respect to some of our largest enterprises the artificial distinction between state and interstate commerce has long since outlived its usefulness.

Financial operations. In the limited space at our disposal, we can treat only briefly the important features of the financial operations of the Tobacco Trust. From its inception to the present time centralized control has been achieved through direct ownership, either of the tangible property of the absorbed concerns or of its voting stocks. The five original concerns of the American Tobacco Company received pro-rata, in return for the property they surrendered, stocks of the new company. In

¹ *Cf. U. S. vs. E. C. Knight Co.*, 158 W. S., 1.

² *Report of Commissioner of Corporations*, Dec., 1904, pp. 46-47.

the subsequent process of assimilation each plant was purchased outright and paid for partly in cash and partly with newly issued stock of the purchasing Company. Frequently, however, the Trust purchased merely a majority share of the voting stock of the particular company which it desired to control. Up to 1898 all the property of the Trust was owned and controlled by a single corporation, the American Tobacco Company. In that year was organized the Continental Tobacco Company, which owned and controlled all the plug interests formerly held by the American Tobacco Company as well as the new plants absorbed. The two companies were united by a common president, Mr. J. B. Duke, and by the American Tobacco Company holding \$30,000,000 common stock of the Continental issue. In 1901 these companies were combined through the organization of a security-holding company of New Jersey, The Consolidated Tobacco Company, which issued \$157,844,600 bonds in exchange for all the stocks and bonds of the two united corporations. Mr. Duke was president of the new holding corporation. Under this arrangement the former owners of property in either of the two companies now held instead certificates (bonds) of a holding corporation, which bonds were secured by the property of the individual companies. In 1904 a reorganization occurred transforming the holding company into the present American Tobacco Company, an ordinary corporation, which owns or controls directly the property of all the concerns that at one time or another passed into the control of the Trust. While its history has been comparatively free from the more conspicuous features of high finance, the insiders of the Tobacco Trust, as we shall presently see, have more than once played the game unfairly.

For instance, in 1901, when the American Tobacco

Company and the Continental were taken over by the Consolidated, the stockholders in the former companies were persuaded to exchange their stock for four per cent bonds of the holding company. The exchange of stocks for bonds was made on the assumption that the real earning power of the American stock was eight per cent and the Continental four per cent. Immediately after the consolidation took place, the common stock in these companies, which were now in the hands of the Consolidated, paid respectively ten and thirteen per cent in 1902 and twelve and sixteen per cent in 1903. This made possible a twenty per cent dividend in 1902 and 1903 on the \$30,000,000 common stock of the Consolidated, which, of course, was held by the shrewd insiders who maneuvered the game. The holders of common stock were fleeced by a concealment of the real earning power of the American and Continental companies. In 1904, when a reorganization again occurred, the voting power of the new American Tobacco Company was restricted to holders of common stock, of which only \$40,000,000 was issued; the entire issue of capital stock and bonds being at that time \$251,710,000. This common stock, which was not offered to the general investing public, has been paying at the rate of twenty per cent per annum.

Frequent manipulation of tobacco stock for speculative purposes confirms the opinion that the earnings of the Trust magnates are by no means confined to actual business profits. During the struggle of 1893, with the National Cigarette and Tobacco Company for the control of the cigarette market, common stock dropped from 127 in January to 43 in July; preferred stock falling in the same ratio. In anticipation, however, of the absorption of the "National," the insiders of the American bought up its stock when it was very low and profited by its

subsequent rise. In December of 1895, with a large surplus on hand, the directors of the American Tobacco Company announced that quarterly dividends on common stock would be passed, which caused stocks to tumble from 91 to 63. The entire dividend would have amounted to only \$537,000, whereas the reported surplus was \$8,600,000. That there was something "shady" behind this was confirmed by certain doubtful stock manipulations which followed.¹ When stock was down to 71 in March it was bought up again by insiders who anticipated the rise occasioned by a two per cent dividend in April, 1896 which brought the stock up to 91. With stock as low as 130 in December, 1898, the Standard Oil interests entered the field and bought a large voting share. In April of 1899 a one hundred per cent stock dividend was declared and stock rose in May to 229. These are but a few of the many instances where the interests of the general investing public have been sacrificed by those in control of the Trust. In many instances greater publicity of accounts would have made such questionable financiering, if not impossible, at least more difficult.

Judged by the rate of dividends paid, the Tobacco Trust has been eminently successful. (See Appendix Table I.) On its preferred stock the American Tobacco Company paid eight per cent from 1890 to 1901. During the same period the common stock averaged nine per cent. From 1898 to 1901 the Continental paid seven per cent on its preferred stock, although it paid nothing on its common. From 1902 to 1904 dividends on American and Continental common averaged respectively eleven and fourteen and one-half per cent

¹ Cf. *Commercial and Financial Chronicle*, vol. 61, 1063 (Dec. 14, 1895). Cf. also *N. Y. Tribune*, Dec. 8, 1895.

annually. Since the organization of the new American Tobacco Company in 1904, preferred stock has paid six per cent and common stock twenty per cent (including the ten per cent extra dividend declared annually; the regular dividend is two and one-half per cent quarterly). This represents the earnings derived for the most part from the manufacture and sale of plug, chewing and smoking tobacco, cigarettes and snuff.

All of the Trust enterprises have not been equally successful. The Havana Tobacco Company,¹ for instance, has never paid any dividends on its common stock of \$30,000,000, pointing to a heavy over-capitalization. The American Cigar Company, through which the Trust directs its domestic cigar trade, has likewise failed to pay any dividend on its common stock of \$10,000,000, of which about \$7,000,000 is held by the American Tobacco Company.² It is not unlikely that the common stock in each of these companies represents some of the inflated, watered, value of these corporations. The United Cigar Stores Company has paid on the average annually seven per cent on its stock. The American Snuff Company has earned ten per cent on its common stock, which is quoted regularly above 200.

In Table "IV" (Appendix) is presented a summary of the financial situation of the present American Tobacco Company. At the close of 1905 the outstanding stock and bonds were \$238,070,750, of which only \$40,000,000

¹ The total earnings for the year ending 1906, after paying deficiencies of previous years, were only \$477,243, a little over one per cent on capital investment. This stock has been quoted as low as 10 and only rarely at 30.

² The net earnings, however, in 1906 amounted to \$2,332,379, or 100 per cent more than the earnings of 1905. The earnings in 1906 were equivalent to a five per cent income on total stock and bonds (\$40,000,000).

was common stock. The fixed interest charges on bonds and preferred stock were \$10,593,323, whereas the earnings for the year were \$25,212,285, of which \$8,048,480 was devoted to the dividends on common stock, which received twenty per cent for the year. From this it appears that from the point of view of earnings the Tobacco Trust is under-capitalized. If its earnings were capitalized on a six per cent basis, the value of the stock, that is, the real capitalization, would approximate \$400,000,000. This includes the value of the property of subsidiary companies to the extent that the latter are controlled by, and contribute earnings to, the American Tobacco Company (the Trust). If we add to the above \$400,000,000 that part of the property of the subsidiary companies not owned but controlled by the Trust, the total approximates \$450,000,000. The entire capitalization of the subsidiary companies is in round figures about \$200,000,000, of which about seventy-five per cent is owned directly by the Trust, leaving only \$50,000,000 in the hands of outside interests, but not beyond the control of the Trust. In 1904 the issued and floating capitalization of the parent and subsidiary companies was estimated by Mr. Moody at \$500,000,000.¹ This estimate is partially vitiated by the fact that no allowance was made for duplication of values arising from the relation between the parent and subsidiary companies. If we assume that this allowance has been offset by the increased ownership of property by the Trust since 1904, then \$500,000,000 capitalization may not to-day be far from the mark.

The meagreness of the financial reports issued by the Trust prevents any positive prediction regarding its future. Barring serious industrial depressions and legal diffi-

¹ *Cf. The Truth About the Trusts*, pp. 96, 97.

culties, the Trust seems likely to expand rather than contract its activities. That the cigar industry will in the near future come as completely under the control of the Trust as are the other branches of the tobacco industry seems very probable. Before that is realized, however, is it too rash to hope for some effective control and regulation of the Trust by federal law? Until now the agitation and protest against the Trust has come mainly from those engaged within and directly affected by the industry, as growers of leaf, manufacturers, jobbers, the retailers and the investing public. Presently we may hear from the consumer.

In our study of the Tobacco Trust it has been our aim to point out the following facts: first, that the Trust has been most successful in those branches of the industry in which concentration in manufacturing had been carried to the point of relative maximum efficiency in production; second, that the economies in production and distribution affected by the Trust, although appreciable, were not the predominant or decisive factors in its successful development; third, that it is to superior methods of competition in the marketing of goods that it owes its present position, which methods have been efficient because ruinous to small individual competitors; fourth, that its monopoly power consists not merely in raising prices of finished products arbitrarily and in depressing the price of raw material, but in its ability to reserve for itself a large portion of the tobacco trade by making it very difficult for competitors to enter the field; fifth, that those most directly interested in the promotion and regulation of the Trust affairs have frequently profited by using their *inside* information in stock manipulation and speculation.

APPENDIX—TABLE I.

FINANCIAL SUMMARY OF AMERICAN TOBACCO COMPANY (1891-1904).

	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.
Assets ¹	\$32,330,393	\$36,171,390	\$37,168,253	\$38,700,596	\$40,782,607	\$41,153,714	\$44,896,236	\$62,297,755	\$77,075,543	\$79,933,253	\$91,123,613	\$88,434,337	\$86,040,261
Capital stock (out-standings) ²	\$29,835,000	\$29,835,000	\$29,835,000	\$29,835,000	\$30,280,000	\$33,597,000	\$33,597,000	\$38,560,000	\$71,594,490	\$71,514,490	\$71,514,490	\$68,500,000	\$68,500,000
Earnings	4,739,301	4,739,301	4,334,467	5,069,416	3,971,581	3,593,197	4,179,460	4,957,804	5,904,384	6,303,198	6,647,114	7,450,575	8,664,185
Dividend on pre-ferred	8 p. c.	8 p. c.	8 p. c.	8 p. c.	8 p. c.	8 p. c.	8 p. c.	8 p. c.	8 p. c.	8 p. c.	8 p. c.	8 p. c.	8 p. c.
On common stock	12 p. c.	12 p. c.	12 p. c.	12 p. c.	12 p. c.	12 p. c.	12 p. c.	12 p. c.	12 p. c.	12 p. c.	12 p. c.	12 p. c.	12 p. c.
Surplus (accumulative)....	\$2,495,393	\$4,107,805	\$5,333,065	\$7,198,290	\$8,600,371	\$5,884,549	\$7,147,849	\$122,557,689	\$12,575,430	\$12,430,094	\$126,384,317	\$7,904,609	\$8,909,304

¹ Includes real estate, plants, leaf trade-marks, good will, etc.
² \$12,117,000 P. ³ \$17,000,000 C. ⁴ \$3,500,000 C. ⁵ \$11,935,000 P. ⁶ \$18,000 P. S. ⁷ \$28,000 P. S. ⁸ \$54,500,000 C. ⁹ \$3,014,000 C. S. ¹⁰ \$14,000,000 P. ¹¹ Same as 1890. ¹² \$21,000,000 C. S. ¹³ \$14,000,000 P. ¹⁴ Last quarter (3 per cent) was passed, see p. 134. ¹⁵ 9 per cent cash and 20 per cent stock dividend. ¹⁶ 6½ per cent cash and 100 per cent stock dividend. ¹⁷ \$21,000,000 taken from previous surplus to pay 100 per cent stock dividend. ¹⁸ Does not include surplus in subsidiary companies.

TABLE II.

SUMMARY OF CONTINENTAL TOBACCO COMPANY (1899-1904).

	1899.	1900.	1901.	1902.	1903.
Assets	\$99,928,017	\$104,378,952	\$111,621,613	\$119,800,442	\$120,666,186
Capital stock ¹	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Earnings	2,032,756	4,486,858	7,600,740	11,776,934	12,756,784
Dividend on preferred	3½ p. c.	7 p. c.	7 p. c.	7 p. c.	7 p. c.
On common stock	0	0	2 p. c.	4 p. c.	16 p. c.
Surplus (accumulative).....	\$33,195	\$1,844,931	\$4,869,697	\$5,597,446	\$6,119,732

¹ Original capitalization authorized Dec. 9, 1898, was \$75,000,000, but increased to \$100,000,000 April 21, 1899.
² \$48,844,600 C. ³ \$18,846,600 P.
⁴ Active business did not begin until middle of 1899.
⁵ After 1901, common stock was held by insiders of Consolidated Tob. Co.

TABLE III.

SUMMARY OF CONSOLIDATED TOBACCO COMPANY (1901-1904).

	1901.	1902.	1903.
Assets ¹	\$186,000,000	\$196,581,917	\$194,941,041
Stocks ² and bonds ³	\$186,000,000	\$186,593,400	\$197,376,400
Earnings	13,241,466	13,241,466	10,359,124
Dividend on bonds	4 p. c.	4 p. c.	4 p. c.
Common stock	20 p. c.	20 p. c.	20 p. c.
Surplus	\$95,916	\$95,916	\$95,913

¹ Stocks of A. T. C. and Continental, as well as stock of foreign companies.
² Consolidation took place June, 1901. No annual report till 1902.
³ Common stock kept by insiders, never offered to public.
⁴ 4 per cent bonds issued in exchange for stock of A. T. C. and Continental.
⁵ \$30,000,000 C. ⁶ \$156,000,000 B. ⁷ \$40,000,000 C. ⁸ \$171,780,000 B. ⁹ Exclusive of the Consolidated share of surplus of A. T. C. and "Cont." and subsidiary companies.

TABLE IV.

FINANCIAL SUMMARY OF NEW AMERICAN TOBACCO COMPANY (1904-1906).

	1904.	1905.
Assets ¹	\$293,620,115	\$274,361,060
	78,689,100 B4	63,489,100 B4
	56,090,400 B6	55,650,150 B6
	78,689,100 P6	78,689,100 P6
	40,242,400 C	40,242,400 C
Stocks ² and bonds	\$251,710,000	\$238,070,750
Earnings ³	22,304,696	25,212,285
Dividends on 6 per cent bonds ..	⁴ 841,356	3,332,413
On 4 per cent bonds	786,891	2,539,564
Preferred stock	6 p. c.	6 p. c.
Earnings	⁴ 1,180,337	4,721,346
Common stock	⁴ 0	⁴ 20 p. c.
Earnings .....	.....	8,048,480
Surplus	⁵ 29,518,879	25,685,961

¹ Assets in 1904 represented by the following:

Real estate, machinery, trade-mark, good will, etc.....	\$139,604,437
Leaf tobacco, and other stock on hand	24,405,458
Stocks in foreign companies	23,925,420
Stocks in domestic companies.....	55,532,890
Cash	8,028,236
Commissions prepaid.....	600,964
Bills and accounts received.....	41,522,716
Total	\$293,620,115

² Stocks—Authorized issue of common stock was \$100,000,000.

Authorized issue of preferred stock was \$80,000,000.

Four per cent bonds are payable 1944.

Six per cent bonds are payable 1951.

Bonds and preferred stock of new A. T. C. issued in exchange for bonds and preferred shares of "Consolidated" and old A. T. C. and "Continental."

Common stock issued in exchange for "Common" of Consolidated, which were held by insiders.

³ Earnings—The \$22,304,696 represented the total earnings for the calendar year, of all the constituent, merged companies.⁴ From October 1 to December 31, 1904 inclusive.⁵ Total surplus taken over from merged companies. In 1905, \$9,988,990 was taken from surplus to retire \$15,500,000 4 per cent bonds when the market price of the latter stood at 65.⁶ Dividend on common—2½ per cent is regular quarterly dividend, but a 10 per cent yearly extra was paid in 1905. In 1906 a 12½ per cent extra dividend was paid besides the regular 10 per cent dividend for the year.

CHAPTER V

LABOR CONDITIONS IN THE TOBACCO INDUSTRY

BECAUSE of the heterogeneous elements in the organization of the tobacco industry it is impossible to make any broad generalizations concerning the conditions of the workers as a whole. The rate of wages, hours of labor and general conditions of employment in the manufacture of plug, chewing tobacco, smoking tobacco, snuff and machine-made cigarettes, are very different from those conditions that obtain in the cigar industry. In the manufacture of the former products, machinery, operated by unskilled labor, has played the important rôle, whereas, in the cigar industry, skilled hand labor has been, and is yet, the determining factor in production. This fundamental difference in the technical processes of production results in the division of the workers, as respects their condition, into two classes. Moreover, within the cigar industry itself, which is in a transition stage between the handicraft and the machine system of production, there is a diversity of conditions and problems. One of the interesting aspects of the labor problem in the industry is the proof afforded of this vital relation between the status of the workers and the character of the technical processes that they are called upon to perform.

The successful application of comparatively automatic machinery in the manufacture of plug, chewing and smoking tobacco, snuff and cigarettes has made possible

the exploitation, not merely of unskilled male labor, but of female and child labor as well. The greater part of the work consists in tending and feeding the machines. Where skill is required, as in wrapping and in making twists and spun rolls, only few hands are employed. Fully one half of the entire working force are women and children, receiving, as we shall see later, wretchedly low wages. It is in order to take advantage of the constant and large supply of low-grade city labor, that the tobacco factories have been located in large industrial centers.¹ As competition among this class of laborers is very intense, wages and hours of labor are decidedly unsatisfactory.

The situation of the tobacco workers has been further aggravated by the concentration of the manufacturing interests in the hands of the Trust. In its relation to its employees, this gigantic corporation has acted without a soul; but more than that, it has denied the workers even a body. For by refusing to bargain with organized labor collectively, and by adopting a generally hostile attitude toward organizations, the Trust disrupted the labor union in 1895, and since its reorganization has been successful in keeping it weak and inefficient. When the Trust has not antagonized the union directly, it has done so indirectly by taking advantage of its position as a large individual purchaser of labor, in a market of many unorganized laborers. In this situation, where the parties concerned have such unequal power, the terms of the labor contract are bound to be unfair to the weaker party, that is the laborer.

Before considering in detail the actual economic status of the tobacco workers, let us first analyze briefly their

¹ *Supra*, p. 97.

composition. Since 1880 the general tendency has been toward the displacement of child by adult female labor, the proportion of adult male laborers remaining almost stationary. Of the entire working force, the percentage of children under sixteen has declined since 1880 from twenty-one to nine per cent, while adult female labor increased in the same period from thirty-two to thirty-eight per cent. Women and children together comprised, in 1905, forty-seven per cent.¹ In connection with these figures it should be borne in mind that, even under modern sanitary conditions, which do not always obtain, the tobacco trade is dangerous to the health of the workers, many of whom die from tuberculosis.

With respect to the employment of child labor, North Carolina is the chief offender, having engaged in her factories, in 1905, no less than 1,134 children under sixteen years of age, which is almost twenty per cent of the total number of workers employed in her tobacco factories.² A society mindful of the welfare of its individuals would forbid the employment in tobacco factories, not only of children but also of females under twenty-one years of age. In the following table is presented the number of tobacco workers distinguished according to sex and age, since 1860:³



NUMBER OF TOBACCO WORKERS EMPLOYED, BY SEX AND AGE GROUPS,
SINCE 1860 IN THE UNITED STATES.

	1860.	1870.	1880.	1890.	1900.	1905	Per cent for 1905, or decrease since 1860.	Per cent of increase since 1860.
Total	18,859	21,799	32,756	29,790	29,161	23,990	100	— 28
Males	13,863	19,588	14,886	14,942	14,124	12,721	53	— 9
Females	2,990	5,179	10,776	10,564	11,590	9,127	38	+105
Children under 16. ⁴		6,032	7,094	4,284	3,447	3,447	9	— 42 ⁴

¹ Cf. *Census of Manufactures, 1905, United States, Bulletin 37*, p. 91.

² Cf. *Census of Manufactures, 1905, North Carolina, Bulletin 39*, p. 18.

³ U. S. *Census Bulletin, No. 197* (1902), *Manufactures of Tobacco*, p. 24; also *Census of Manufactures, 1905, United States*, p. 91.

⁴ Not reported separately until 1870.

Wages in the industry are incredibly low.¹ In an ordinary tobacco factory wages range from forty cents per day for strippers or stemmers, up to one dollar and twenty-five cents per day for lump-makers, nip-wrappers, potters and shipping clerks. Pickers (those selecting the leaf) earn about eighty cents per day, and machine operators one dollar per day. In a typical Virginia factory, employing one hundred and forty hands, the average wage per day is ninety cents, making an annual income of \$247.50 for two hundred and seventy-five days of labor.² In Northern factories, where industrial opportunities are greater, wages are, in general, twenty-five per cent higher. On the basis of the data presented in the reports of the state bureaus of labor, and using whenever possible a weighted average, the annual income of a tobacco worker in ten different states is given in the following table:

ANNUAL WAGE OF TOBACCO WORKERS, MEN, WOMEN, CHILDREN.

	Adult Male.	Adult Female.	Children under 16.	Principal Manufac- turing Centers.
North Carolina.....	\$240	\$154	\$123	Durham & Winston.
Virginia.....	255	180	113	Richmond.
Kentucky	320	215	120	Louisville.
Ohio	375	255	135	Cincinnati.
Maryland	408	242	116	Baltimore.
Missouri	428	370	370	St. Louis.
New Jersey.....	450	350	200	Jersey City.
Michigan	475	263	190	Detroit.
Illinois	500	270	160	Chicago.
New York.....	528	324	169	New York.

¹ We refer here to all branches except cigars, hand-made cigarettes, and hand-made stogies.

² Cf. *Fifth Annual Report of the Bureau of Labor Statistics of Virginia*, 1902, pp. 73-81.

In the first six states, of which all except Ohio are Southern, and which manufacture about seventy-five per cent of the entire output of the country, the average annual wage for adult males is \$330, for females \$236, for children \$162. In the four Northern states, which produce less than twenty-five per cent of the entire product, the average wage is \$488 for adult males, \$300 for women, and \$180 for children. This low income has been constant, or nearly so, for over a decade.

For this small reward the tobacco worker toils from nine to ten hours per day, for only in exceptional instances, where the labor union is strong, does the eight-hour day prevail. The general average for the week is from fifty-four to sixty hours. Although the work does not require much intense physical exertion, it is monotonous and very confining. The sickly, yellow complexion of the average tobacco worker is the most convincing evidence of the devitalizing character of the work.

Where the tobacco workers have been able to effect a strong organization, their conditions have been slightly improved, not only with respect to the hours of labor, but also with respect to wages. The Tobacco Workers' International Union has not, however, been successful in extending its activities to factories operated by the Trust, which employs over seventy-five per cent of the entire labor force in the industry. In that part of the industry still uncontrolled by the Trust the Union owes no small degree of its present power and position to a willingness and desire of the independent manufacturers to utilize the Union label in their fight against the Trust. To the extent that he pays higher wages, the independent manufacturer looks upon the Union label as an investment. For him it is one form of advertisement, the value of which he capitalizes to offset the relatively higher wage.

Depending, as it does, not entirely upon its own innate strength, but partly upon the peculiar and probably temporary support of the independent manufacturer, the Union's position is therefore a precarious one.

Apart from the hostile opposition of the Trust¹ the Union must face other serious obstacles in the way of an efficient and complete organization. There is, first of all, a large number of women and children to deal with, almost fifty per cent of the workers in the trade. This has always been one of the serious drawbacks to organization among the workers. Moreover, the low standard of wages and working conditions in the industry is not likely to attract a very intelligent class of workers. To these obstacles must be added the problem of negro labor, which is employed extensively in Southern factories.

The present Tobacco Workers' International Union was organized in 1895 and is affiliated with the American Federation of Labor. Although it enrolled, in the period from 1895 to 1900, no less than twenty-five thousand members, the Union had, in 1901, only four thousand members.* The large falling off was due to the absorption of independent factories by the Trust. In the face of these many obstacles, the Union deserves much credit for organizing, as it has, from ten to fifteen per cent of the workers. In spite of the small membership fee. (ten cents weekly), the Union is able to pay both sick and death benefits. Provision is also made for a strike fund; those on strike receiving three dollars per week. We pass by the details of its organization, since we shall consider at length in this chapter the cigar

¹*Cf. Report of the Industrial Commission*, vol. vii, pp. 399, 405.

**Cf. Report of Industrial Commission*, vol. xvii; *cf. also Tobacco Workers' Journal*, Oct., 1900, pp. 17-18.

makers' union, after which it is modelled.¹ In some of the largest independent factories in the country the Tobacco Workers' Union has succeeded in establishing a minimum wage and the eight-hour day.²

The Cigar Industry. To understand the labor conditions in the cigar trade, we must have in mind the general character of the industry. In the manufacture of cigars, except in the production of cheap scrap-filler goods, the "bunches" of which are shaped by machinery, the amount of hand skill required is sufficient to check the supply of labor, thus influencing the rate of wages favorably to the workers.³ The Cigar Makers' Union imposes, as a condition of membership, a three years' apprenticeship which though considered by many too long a period, is some indication of the character of the work. One year apprenticeship may be safely regarded as the minimum required in the manufacture of a mold cigar, and five years for a hand-made cigar.

Another factor favorable to the skilled worker is the ready opportunity of becoming an independent employer. This alternative is made possible by two reasons: first, not only is little or no fixed capital needed, but such circulating capital as is necessary can easily be secured on credit; moreover, the circulating capital, consisting of leaf on hand and outstanding stock,

¹The headquarters of the Tobacco Workers' International Union are located at Louisville, Kentucky, corner of Third and Main Streets. Mr. Henry Fischer is President of the Union, and E. Lewis Evans, Secretary-Treasurer.

²Among others, the following factories have been unionized: The U. S. Tobacco Co., Richmond, Va.; the Globe Tobacco Co., Detroit, Mich.; Larus Bros., Richmond, Va.; the Monarch Tobacco Works, Louisville, Ky.; Leopold Miller & Sons, N. Y. City.

³For a description of the technical processes in production of cigars, Cf. *supra*, pp. 82, 83.

is equivalent to only about five hundred dollars per employee; and secondly, the organization of the retail trade on a petty and personal basis affords a market to the small manufacturer for the disposal of his goods. That these conditions of production and distribution, discussed at length in our chapter on manufactures, are not hypothetical may be seen from the situation that obtains in New York state at the present time. Out of 1,412 factories inspected, over fifty-eight per cent of the employers, besides working themselves, engaged only one apprentice and one journeyman; sixty-six worked without any hired help whatsoever. In 1905 about eighteen per cent of the entire number of cigar makers were engaged in factories having an annual output of only twenty thousand dollars or less, which is equivalent to the product of four skilful workmen.¹

Both of these conditions, the skill required in making cigars and the general character of production and distribution in the industry, have made possible a third factor, which likewise operates in the interest of the workers, namely, effective organization among the employees. The Cigar Makers' Union has been, in fact, one of the remarkably strong labor organizations in this country in the last fifty years, and is very largely responsible for the present standard of wages and hours of labor enjoyed by the workers. Of its history, organization and achievements we shall have more to say later. We wish here merely to refer to it as one of the several factors which have helped to maintain living conditions among the workers.

In spite of what has been said, the wages of the cigar makers are comparatively low. Except in rare instances,

¹*Cf. U. S. Census of Manufactures, 1905, New York, p. 45.*

as in the case of apprentices, strippers and machine operators, the piece-wage system prevails. In non-union and open shops the rate of wages varies from five to seven dollars a thousand cigars, (bunching and rolling) ; in union shops the scale ranges from eight to ten dollars per thousand and cigars complete.' This is the rate for mold-made cigars; the rate for hand-made cigars is about twenty-five per cent higher. Of mold cigars, the average cigar maker can produce about forty per hour, bunching and rolling, or roughly speaking, three hundred per day for eight hours' labor, (the period in union shops) and four hundred in a ten hour day, which obtains in non-union shops. In both cases the wages approximate twelve dollars per week, the union man working forty-five hours and the non-union man from fifty-four to sixty hours. This is the wage for the man of average speed. Of course, the more adept the worker, the higher are his wages. It is not uncommon for a union man to earn from fifteen to twenty dollars per week on mold cigars, but this is the exception rather than the rule. Moreover, the work is unsteady and consequently the annual income is, to that extent reduced. In most shops, and especially in small ones, the period of unemployment averages two months in the year. The total number engaged in the trade, including packers and strippers, approximates 125,000.²

¹The rate in any single shop varies according to the size and shape and style of the cigar. A five-inch cigar pays more than a four-and-a-half-inch. A perfecto shape pays more than a straight cigar, a long-filler more than a scrap cigar.

²According to the *Census of Manufactures, 1905, U. S.*, the number employed in the cigar and cigarette industry combined was reported as 137,000. The number of cigarette makers could not have exceeded 12,000, plus the number of cigar makers of whom the census took no cognizance. Of the 125,000 engaged in the cigar trade about 100,000 are bona-fide cigar makers.

According to the most recent figures of the United States Bureau of Labor reports,¹ wages in the cigar industry for 1905 for bunchers and rollers were \$11.44 per week for fifty-two hours' labor, the average wage per hour being \$0.22. The annual income for forty-four weeks would be five hundred dollars. This was the wage for mold work in 1905, when wages were higher than they have been for some years. This same bulletin puts the wages in New York, Boston, Chicago, Cleveland, Detroit, and Philadelphia at fifteen dollars per week, or six hundred dollars for the year. According to the data in the reports of the state bureaus of labor the wages in the three leading cigar states are as follows:

ANNUAL WAGES IN CIGAR TRADE (FOR MALES).

New York State.....	\$592	In union shops only (five year average).
Ohio	517	In union and non-union shops (four year average).
Pennsylvania	400	In union and non-union shops (for single year).

For these three states the weighted average annual wage was five hundred dollars. The low wage in Pennsylvania is due to the exploitation of labor under the domestic or household system of production. In Tampa and Key West, Florida, where most of our Havana hand-made cigars are produced, wages average six hundred and thirty dollars per year. On the other hand, female operators of bunch-breaking machines receive from five to seven dollars per week, averaging three hundred dollars per year for forty-three weeks' work. Under the piece-wage system these operators earn thirteen cents per

¹*Ct. U. S. Bureau of Labor, Bulletin 65, p. 57.*

hour, and their work extends through fifty-four hours per week.¹

The difference in wages paid in Northern and Southern factories is very marked. In the South Atlantic division, excepting Florida, males on mold work receive seventeen cents per hour, and female operators nine cents per hour; whereas, in the North Atlantic division males receive twenty-three cents on mold work, and female operators thirteen cents per hour.² This variation in income is attributable not alone to the quality of the work produced, nor to the difference in the standard of living, but partly to the lack of organization among the workers.

The effect of organization upon the rate of wages is also noticeable in comparing the income of cigar makers in different localities where unionism is strong and weak. In Boston, which is the recognized leading union city in the country, the average rate of wage is forty-two cents per hour, as compared with thirty-two cents for New York City, where unionism is confessedly weaker than in Boston. Contrast also the yearly income of union cigar makers in New York State, where organization is relatively strong and union men receive \$592, with Pennsylvania where the union is very weak and the annual income is only \$397; in New York City the rate for bunching and rolling is thirty-two cents per hour, compared with twenty-four cents in Philadelphia. In Binghamton, New York, where many non-union shops are located, the scale is seven dollars per thousand cigars, whereas, in Rochester, New York, for the same grade of work the wage is ten dollars per thousand. In large industrial centers where, owing to the influx of a large

¹*Cf. U. S. Bureau of Labor, Bulletin 65, p. 57 (1906).*

²*Ibid.*, pp. 55-61.

supply of foreign labor, we naturally expect to find wages lower than in inland towns and villages, the reverse is usually the case wherever unionism is strong. Take, for instance, Massachusetts in which the average yearly income, in 1905, was \$660; in Boston where the union is exceptionally efficient, the income is \$825; whereas, for eighteen towns in the rest of the state (including such places as Springfield, Lowell, Lynn, Fall River and Worcester) where the workers are less powerfully organized, the average was only \$640.¹ This is not due to a difference in the cost of living, for in New York, where the cost of living is as high as in any part of the country, but where the union is not very strongly organized, wages are lower than in Boston and smaller cities, where labor is well organized. In fact, the union, in poorly organized centers, is forced to permit its members to work below the regular union scale that obtains in other more strongly unionized cities.

This double standard of wages, one for union and the other for non-union shops, prevails within the confines of any single city; usually ten dollars per thousand in the former, and seven or eight dollars in the latter. In general, it may be said that the wages in union shops are from ten to twenty per cent in advance of non-union shops: or, putting it in another, more realistic way, the non-union worker must toil fifty-five hours per week to earn what the union man receives for forty-five hours' labor. Why, then, it may be asked, do not all workers seek jobs in union shops? For two reasons: first, they have frequently learned the trade in less time than is required by the union for apprenticeship, and conse-

¹*Cf. Census of Manufactures, 1906, Massachusetts, Bulletin 53, pp. 54-58.*

quently are ineligible to membership; secondly, some workers by remaining outside the union and working below the union scale of wages, or by working overtime, more than eight hours per day, can earn a larger net income than by submitting to union regulations.

Society is indebted to the Cigar Makers' Union for having been the first organization in America successfully to enforce the eight-hour day, which is especially important in the cigar industry because of the unhealthy character of the work. The number of deaths due to tuberculosis has been shockingly high, but is being constantly reduced through the Union's efforts to improve sanitary conditions and by providing "benefits" for its sick members.¹

In spite of all efforts on the part of the Union and the general public, child labor has not been eradicated from this dangerous trade. On the contrary, it has greatly increased since 1890. According to the latest census figures² the number of children under sixteen employed in cigar and cigarette factories in 1890 was 3,334; in 1900 there were 3,587, and in 1905 there were 5,274, an increase since 1890 of nearly sixty per cent. While it is impossible to ascertain accurately whether this increase has occurred in cigar or cigarette factories (since the two are reported jointly in this census report), it is more than likely that it came in the cigar trade, since this industry has flourished with won-

¹ The Union's vital statistics show the following deaths from consumption and lung trouble of one kind or another: In 1890, 60 per cent; in 1895, 43 per cent; in 1900, 35 per cent. Longevity among union members in the same years was as follows: 1890, 37 years; 1895, 39 years; 1900, 43 years. Cf. *Report of the President of the International Cigar Makers' Union*, 1901.

² Cf. *Census of Manufactures, 1905, United States, Bulletin 57*, p. 91.

derful rapidity in the last decade. The Cigar Makers' Union is conducting a crusade against goods made by child labor in Trust factories, where boys and girls are employed not only in "stripping" (removing the tough midrib from leaf), but also in operating cigar machinery. The number of women engaged in that part of the cigar and cigarette industry reported in the 1905 census¹ was 57,174, of which probably 15,000 are in the cigar industry.

From what has already been said, it must be apparent that the conditions of the working class in the cigar industry have been largely influenced, if not shaped, by the Cigar Makers' Union. This is all the more remarkable in view of the fact that at no time were more than one-half of the entire labor force enrolled in the Union. In April, 1906, union membership was 45,784, which is approximately about thirty-five per cent of the entire trade.² It is one of the oldest labor organizations in the country, and in many important aspects is modelled after the English type of trade union. A local organization existed in Cincinnati as far back as 1841; a state (New York) convention of locals was held in 1854, and the first national convention, at which the present union had its birth, met in 1864. Into its historical development, however, it is not our purpose to enter.³ We shall confine our study to a description and analysis of a few of

¹*Census of Manufactures, 1905, United States*, p. 91.

²*Cf. Cigar Makers' Official Journal*, Apr. 15, 1906.

³For a historical account of the rise of the Cigar Makers' Union, cf. Adolph Strasser's sketch in *The Labor Movement*, by Geo. E. McNeill; cf. also *Report of the Industrial Commission*, vol. xvii, but especially an article by T. A. Glocker on the "Structure of the Cigar Makers' Union," pub. in *Studies in American Trade Unions*, edited by Hollander & Barnett, 1906.

its important features only in so far as they shed some light on the present and future problems of unionism.

After forty years' experience the Cigar Makers' International Union has developed one of the most democratic and efficient labor organizations in our country. It is a federation of five hundred comparatively autonomous local unions. Each local organization is thoroughly democratic and self-governing in affairs which concern merely its own interests. Its administration is guided by an elective and salaried secretary-treasurer, and a non-salaried but elective executive board. The secretary has the supervision over membership rolls, payment of dues, assessments, fines, etc., and the dispensation of "benefits" to members. The secretary is assisted in minor matters by shop collectors, invested by the local union with the power of collecting dues and fines and reporting conditions in their respective shops. The secretary reports monthly to the international president at Chicago. The executive board acts in an advisory and judicial capacity over matters relating to the local. The powers and duties of the locals will be discussed later. Each local is governed by its own by-laws and rules, besides that of the constitution of the international union.

At the head of the international organization stands a president-secretary, elected every five years by a referendum vote of all the members of all locals. As secretary he conducts all correspondence between locals and the international. As president he is the executive organ for the enforcement of all national legislation. He authorizes payments of "benefits," equalizes the funds of the various locals, levies fines, suspends and expels members. He also appoints label agitators and financial and strike agents, who report regularly to him. In jurisdiction disputes, involving an interpretation of the constitution, the president acts as a judicial arbiter.

Above and along with the president, however, stands an executive board consisting of seven vice-presidents, in addition to the president, and a treasurer, all of whom, like the president, are elected by a referendum vote every five years. To the executive board all members and locals can appeal from the decisions of the president. The executive board authorizes the levying of assessments for replenishing funds, grants charters to locals, passes upon executive appointments, and exercises final jurisdiction over strikes involving less than twenty-five members.

The final authority, however, not only in judicial matters, but also in legislation, rests in the entire membership acting through the locals. As a last resort, any decision of consequence can be carried to the entire membership, through a referendum vote. Likewise, all national legislation is effected by the direct vote of the locals, through a referendum vote. In matters of legislation, the power of initiation also resides with the local body, and in some cases is vested in the members acting individually. The constitution of the international union is amended, when occasion demands, by this process of the initiative and referendum. Having discovered that this was economically the cheaper method of making laws, no international convention has been held since 1896. A fine is imposed on all members who do not avail themselves of the opportunity to vote for international officials. In the last election, 1906, seventy-five per cent of the entire membership voted; on ordinary legislation, however, less than one-half cast their ballots.

As regards the form of organization, therefore, the Cigar Makers' Union is highly democratic. Very little final or arbitrary power is vested in the hands of the international officers. On all important questions, the

members or locals have at their disposal the power of agitating, initiating and legislating all measures. The central body is merely a convenient and expeditious means through which the members express their will freely and democratically. It is in the best sense, therefore, a self-governing body.

An efficient federation, however, always implies a surrender of some powers by the local units to the central governing body of the federation, in this instance, a majority of the local unions or members acting through locals. This leads us to a consideration of the division of powers between the locals and the international, which we shall discuss under three heads: regulation of finances, trade regulations, and strikes.

Members pay local dues weekly and international assessments at irregular intervals.¹ Local unions do not participate in the enjoyment of the assessments which go directly to the central headquarters, and out of which are paid the expenses of the International administration. Of the moneys collected from weekly dues, the locals are entitled to expend, on the average, about twenty per cent for their own administration expenses, etc.² The remaining surplus, eighty per cent, is held by the local union but is the property of the International, to be used as a fund in paying benefits to the individual members, provided for under the constitution. The local therefore acts as a financial distributing agency for the International. Should the fund of any particular local become

¹ The constitution provides for 15, 20 and 30 cent members, depending

exhausted through legitimate payments, it is replenished or equalized, as it is called, from the funds of other locals that may have expended less than their pro rata amount allowed by the constitution. The sinking fund of the International, though held by the locals, is always to be at least ten dollars per capita. To-day, with a membership of forty-five thousand, the fund approximates seven hundred thousand dollars. Concerning this financial system, Mr. G. W. Perkins, president of the union, wrote, "Under this system no man could steal the funds if he wanted to, and the remarkable and gratifying feature is that we do not lose on an average two hundred dollars a year through defalcations; and the money transactions, including the balance on hand, amount to about \$1,300,000 annually."

As in fiscal affairs and policies, so also in matters pertaining to trade regulations, the locals have conferred upon the International a stringent control. The International has prescribed for the union shops everywhere the following: (1) a uniform apprenticeship law, which requires three years' experience as one of the qualifications for admission into the union;¹ (2) a uniform minimum wage—seven dollars per thousand for the United States and six dollars for Canada;² (3) an eight hour working day; (4) a minimum price list for all manufacturers who use the union label; goods sold be-

¹The International Constitution provides that an apprentice can be employed only where the manufacturer engages also a journeyman. It is left to the local, with the approval of the International, to regulate the ratio between the number of apprentices to journeymen, usually ten journeymen must be employed to permit two apprentices; fifteen for three, but never more than three.

low twenty dollars per thousand can not be labelled; (5) conditions upon which the label can be granted including the above regulations. Owing to competition between localities, these questions could not advisably be left to local unions. Without a centralized control there would be no concerted action among the workers. With few exceptions, the union enforces the "closed" shop by refusing to permit their members to work in non-union shops. An exception to this rule is made in the case of New York City factories.

The power to strike is also vested in the entire International membership rather than in the local. Should a local enter on a strike without consulting, or in defiance of, the will of the International, it can claim no financial assistance from the International organization. Practically all strikes, therefore, must be sanctioned either by the executive board or by a majority of all locals through a referendum vote. When trouble arises between employees and employers, an official statement of difficulties involved must be transmitted directly to the International president and the executive board. When less than twenty-five employees are involved, the decision of the executive board is final. Where more than twenty-five are involved, the proposition, if approved by the executive board, must be submitted to a vote of all the local unions, a majority of all the locals and two-thirds of the votes cast being necessary for final approval.¹ Should the executive board refuse in the first instance to give its approval, the particular local union or unions involved

¹The locals vote as units, but each local has a voting power proportionate to its membership: one vote for 50 members and less, two for 50 to 100 members, three from 100 to 200, and one additional vote for every 100 additional members. A secret vote is required on all questions involving a strike.

can appeal from their decision to a vote of all the locals. The strike having been sanctioned by the International body, the men on strike receive from the International fund a benefit equivalent to five dollars per week for the first sixteen weeks and three dollars per week thereafter until the strike is terminated. With respect, therefore, to the division of power between locals and the international it may be said that the decision of questions concerning the welfare of members beyond any particular union's power is vested in the entire international membership as a whole.

This cautious and conservative procedure has been amply justified by the net results of strikes entered upon. The following table of figures indicates the final outcome of strikes for the five-year period from 1896 to 1901:¹

STRIKES AND THEIR OUTCOME.

	Number of Difficulties.	Union Members Involved.	Number Entitled to Benefit.	Non-unionists Involved.
Successful	300	12,794	11,587	10,363
Compromised	27	652	625	946
Ended by members obtaining employ- ment elsewhere..	61	428	421	220
Lost	79	1,738	1,440	3,024
In progress or pend- ing final report ..	27	2,618	2,115	1,381
Pending approval..	1	14	12	
Total	495	18,244	16,206	15,934
Disapproved	36	463	451	321
Grand total.....	531	18,707	16,657	16,255

About sixty per cent of the number of strikes, involving

¹ These figures are taken from the *Report of President of Cigar Makers' International Union*, Sept., 1901. While it is true generally that such figures are apt to be distorted by personal bias and the desire of the Union to make a favorable showing, it must be stated that the statistical data of this particular Union are unusually accurate and complete.

sixty-eight per cent of the workers, were successful. Even more significant is the fact that for the strikes arising from a demand for an increase of wages, one hundred and two out of one hundred and twenty-four were successful, benefiting 9,855 workers (union and non-union). Of those strikes arising from an opposition to the reduction of wages, ninety-two out of one hundred and thirty-nine were successful, benefiting thereby 7,451 workers. The income, therefore, of over 17,000 workers was affected favorably by means of the strike. Moreover, as the growing power of the union has often made strikes unnecessary, the potential strike must be considered an asset in estimating what the union has accomplished for its members through its striking power. Judging from the amount of strike benefits paid, there has been a diminution in the number, as well as in the duration of strikes.¹ In the recent large strike of the Boston cigar makers for an increase in wages the union won a decisive victory for the 2,100 workers involved.

Because of the skill required in the trade, it is no easy matter to fill the places of the striking workmen. Moreover, we must not overlook another factor, namely, the power which the union label confers upon the organized workers, in enabling them to force concessions from manufacturers whose trade depends upon that label. For twenty years fully twenty per cent of all our domestic cigars has borne the union label.² No labor organization has made such splendid use of the label as has the Cigar Makers' Union of its "Blue Label." It is valuable enough to be counterfeited. Cigars bearing the union

¹*Cf. infra*, p. 162, Table.

²*Cf. Eleventh Special Report of U. S. Bureau of Labor on "Regulation and Restriction of Output,"* p. 584 (1904).

label are worth from three to five dollars per thousand more than non-labeled goods.

The stability, as well as the strength of the Cigar Makers' Union depends in no small degree upon its splendid system of benefits. It was Mr. Adolph Strasser who recognized, so far back as the seventies, that an efficient union looked after the welfare of its members in time of peace as well as in war. To-day this union has the most complete system of benefits of all unions in the country.¹ The following table indicates the different kinds of benefits provided for, as well as their amounts, in any single year:

SYSTEM OF BENEFITS IN CIGAR MAKERS' UNION.

Kinds.	Amount Paid.
Traveling loans	\$20 at one time. After finding employment borrower must pay his debt at the rate of 10 per cent of his wages.
Out of employment.....	\$3 per week—18 weeks (maximum) in one year— Total \$54.
Sick benefit.....	\$5 per week—13 weeks (maximum) in one year— Total \$65.
Strike benefit.....	\$5 per week—16 weeks; \$3 after sixteenth week— Total for year \$188.
Death benefit and permanent disability.....	\$50 to \$500 Varying with length of membership.

In such a system of benefits the worker finds an inducement not only to join, but to remain in, the union. To participate in all possible benefits, each member contributed per year, from 1900 to 1905, only \$8.93, or seventeen cents per week. It is a significant fact, that in periods of depression, when union membership usually declines, the Cigar Makers' Union more than held its

¹ There is a detailed analysis of the "Benefit System of the Cigar Makers' Union," by Helen H. Sumner, in *Trades Unions and Labor Problems*, edited by J. R. Commons, 1905.

own. This was notably true during the crisis of 1893.¹ In the following table is summarized the total amount of benefits paid out, the sum paid under each form, and the relative importance of each benefit:*

TOTAL BENEFITS AND RELATIVE IMPORTANCE OF EACH FORM.
ANNUAL AVERAGE (1900-1905).

	Amount.	Per cent.
Sick benefit.....	\$144,278	34
Death benefit	136,456	32
Strike benefit.....	65,316	15
Traveling loans.....	48,291	11
Out of employment	25,424	6
Total	419,765	100
Average cost per member \$8.93.		

It is noteworthy that the strike payments form a small percentage of the entire distribution of benefits, disproving the general belief that a union is merely a striking organization. The policy of strong unions, as with powerful nations, is one of armed peace. The Cigar Makers' Union is equipped with a fund approximating seven hundred thousand dollars.

The interesting as well as vital problem that presents itself, and which is causing no little apprehension among the union leaders, is, how long the union can maintain its position and influence in the face of two antagonistic forces, the trust and machinery. If, as seems not unlikely, efficient machinery should be introduced for the

¹ Those Unions that had strong benefit systems, like the Cigar Makers, Railroad Conductors, German American Typophria, suffered least. *Cf. Report of Ind. Com.*, vol. xvii, pp. 826, 280, 104. Whereas the Bricklayers', Plasterers', Woodcarvers' Unions, which had no such benefit system, suffered a great decline in union membership. *Cf. ibid.*, pp. 118, 154, 202.

² A very complete and detailed tabulation of these benefits for 26 years was published in the *Cigar Makers' Official Journal*, April 15th, 1906.

rolling and wrapping of cigars, as has been the case in the making of bunches, then the present supply of skilled labor will be supplanted by an unskilled grade of workers. This, of course, will affect only the manufacture of cheap scrap filler cigars, for no machine has yet been invented for the manufacture of long filler, high grade cigars. To the extent that machinery has been successfully introduced, women and children have taken the positions of skilled laborers, and the union has become to that extent actually, as well as potentially, weaker. The Union is offering stubborn resistance to the introduction of machinery, but its fight has been futile wherever the machine has been practical. In proportion as skill is made unnecessary, the union loses its hold on one of the means namely, its apprentice laws, whereby it controls the supply of labor. Moreover, the kind of laborers it must deal with—unskilled workers, women and children—becomes more difficult to organize.

Should fortune favor the Union, and no revolutionizing machinery be introduced, there would still be the Trust to cope with. The latter is rapidly extending its business in the cigar industry, and to that extent is depriving the Union of another weapon. At present the Union and the Trust are in open hostility, the Union taking sides with the independent manufacturers. So long as the Union can retain its hold over consumers—through the use of the Union label—it will be able to maintain its position against the Trust. But this is becoming daily more difficult, for with the organization of its United Cigar Stores the Trust is capturing a large portion of that retail trade which formerly went to small dealers whom the Union can more easily and effectively boycott than it can the Trust.

If both forces—machinery and the Trust—conquer,

the Union must inevitably lose some of its present power and prestige. Although machinery and the Trust are gaining ground, it is too early to venture a prediction concerning the ultimate outcome of the conflict. Should these anti-union forces win, the conditions in the cigar industry will become similar to those now prevailing in the manufacture of plug, chewing and smoking tobacco, snuff and cigarettes, conditions which, as we saw above, are so wretched that the status of the cigar makers to-day seems, by comparison, ideal.

Before concluding this chapter we wish to call attention briefly to the conditions in a specialized branch of the industry, the stogie trade. There are employed in Pittsburgh and Wheeling, West Virginia, about ten thousand of these workers, some of whom are machine operators and receive low wages. A large proportion of stogies, however, are made by hand, like ordinary scrap or filler cigars. The hand-workers earn about five hundred dollars per year, which in general approximates the wage of the cigar makers. Because of trade disputes with respect to the wage scale, attitude towards machinery and minimum selling-price to jobbers and retailers the stogie makers are not affiliated with the Cigar Makers' Union, but have an independent organization known as the National Stogie Makers' League,¹ with a present membership of one thousand, or about ten per cent of the entire number of workers.

Our wonderful economic prosperity seems not to have improved the conditions of the laborers in the tobacco industry. Where machinery has displaced skilled by unskilled labor, as in the manufacture of plug, smoking

¹It was organized in 1896 by its present president, W. H. Riley. The Union's headquarters are at Wheeling, W. Va.

and chewing tobacco, machine cigarettes and machine cigars and stogies, the hours of labor are from nine to ten hours per day, and the yearly income averages but three hundred dollars. Where much skill is still required, as in the manufacture of mold and hand-made cigars, the workers, with the aid of an efficient organization, earn from five hundred to six hundred dollars per year. Even for the more favorably situated laborers, therefore, wages are not far above the level of bare subsistence.

CHAPTER VI

FOREIGN TRADE

SECTION I. EXPORTS

FOR almost three centuries we have been not only the largest producer, but also the leading exporter of tobacco in the world. Except during periods of temporary disturbance our cultivation and exportation of leaf tobacco have kept pace with the general increase in consumption. Of our entire crop (approximately 700,000,000 pounds) nearly one-half is destined annually for European markets. It is only in the production of the highest grade of cigar leaf, supplied by Cuba and Sumatra, that we are unable to compete in the world market. The entire international trade in unmanufactured tobacco exceeds 600,000,000 pounds, and of this over fifty per cent is exported by the United States.¹

It is no mere accident that we have been able to retain our supremacy in the tobacco market, for the extent and natural fertility of our lands have enabled us to produce the leaf used in ordinary consumption at a lower cost than is possible in other countries. Crops of inferior quality are grown and exported by Brazil, Hungary, India and the Dutch East Indies, but only to the extent of 100,000,000 pounds. Were it not for the high tariffs that protect the leaf grown in Russia, Hungary and Germany, practically the entire European market for leaf

¹ Cf. *Yearbook of the U. S. Department of Agriculture*, 1905, p. 715.

used in the manufacture of plug, chewing tobacco, pipe smoking tobacco, snuff and cigarettes, and a medium grade of cigar leaf would be supplied by our farmers.

The peculiar phenomenon in the leaf market is the element of monopoly enjoyed by producers whose leaf has once won popular favor among the consumers. Since there is no absolute objective standard for measuring the respective merits of leaf tobacco, it is difficult for the producers of a new leaf to dislodge the competitor already in control of the market. The cultivated taste and traditional preference of European consumers for American leaf have to that extent conferred upon our producers a semi-monopoly advantage. The American farmer is striving now to overcome the traditional bias of the American public for Sumatra wrapper leaf, just as Porto Rico is attempting, not as yet with very much success, to persuade us that the quality of her cigar leaf is equal to that grown in Cuba. This lack of standardization and of uniformity in quality, is one of the peculiarities of the tobacco leaf market.

To appreciate the conditions and problems in the foreign markets, we must bear in mind two factors. First, most governments still continue to view tobacco as a source of revenue. This explains the unusually high tariff duty on tobacco in European countries, which, while it puts us on an equal footing with foreign producers, gives the farmers of those particular high-tariff countries an advantage over our own. Secondly, the governments of several large European countries—France, Austria, Spain, Italy—exercise a monopoly over the sale of tobacco. These “*Régie*” countries make all their purchases of leaf through government agents, who can buy from domestic or foreign producers. The government’s revenue consists in the net surplus of the sell-

ing price over the purchasing price. The disadvantage of this system—to the producers—arises not only from the tendency to fix the selling price as high as possible, thus diminishing consumption and the demand for the finished product, but also from the fact that all competition for raw material is eliminated on the side of the buyers.

Whether burdened directly by import duties, or indirectly through the “Régie,” the tax on tobacco is exceedingly high. England’s minimum duty on imported tobacco is seventy-seven cents per pound which in the case of American leaf, marketing at ten cents, is equivalent to a seven hundred per cent *ad valorem* duty.¹ Germany’s tariff on tobacco is eighty-five marks per one hundred kilograms, or about eight cents per pound, which is equivalent to a one hundred per cent *ad valorem* duty on our leaf.² In “Régie” countries the tax on our leaf, which wholesales at eight cents per pound, is as follows: in Italy ninety-one cents per pound, in France eighty cents, in Austria thirty-five cents and in Hungary thirty cents per pound. The price of leaf tobacco in these countries is fixed arbitrarily by the government.

With this general character of the foreign market in mind, let us measure our foreign leaf trade statistically. Our exports, since the Civil War, have more than doubled in quantity: in the ten year period prior to 1860 they were annually 145,000,000 pounds whereas from 1895 to 1905 the figures exceeded 313,000,000 pounds annually.³

¹ England’s import duty is 77 cents per pound on tobacco containing more than 10 per cent. moisture, otherwise 85 cents per pound.

² Under the new law which went into effect July 1, 1906, the import duty on cigarettes and cigarette leaf tobacco is 76 cents per pound.

³ Based on statistics of *Yearbook of U. S. Department of Agriculture and Annual Reports of Commerce and Navigation*.

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As our total annual production in the last decade averaged 660,000,000 pounds, our exports were approximately forty-seven per cent of our entire crop, and were valued roughly at twenty-five million dollars annually. In the following table is represented the distribution of our exports, and their proportion of the entire tobacco trade of those several European countries which are the largest importers of our leaf: ¹

FOREIGN TOBACCO TRADE OF THE UNITED STATES.

Name of Country.	Percentage of the total United States crop exported (quantity).	Percentage of total importation imported from United States (quantity).
England	31	83
Germany	16	17 ²
France	10	65
Italy	10	90
Netherlands	6	50
Spain	5	40

Of the total quantity consumed (600,000,000 pounds) in these six countries, over fifty per cent is American tobacco, about twenty-five per cent is home-grown, and the remainder is imported from the Dutch East Indies, Brazil, Cuba and the Philippine Islands. Russia and Hungary are the only countries which produce for exportation as well as for their own consumption, and consequently our trade with these nations is nil. Japan also produces her own leaf tobacco, under a governmental monopoly. Canada, on the other hand, imports almost her total supply of 10,000,000 pounds annually from the United States.

¹ In this table the percentage of our crop exported is a ten-year average; the percentage of foreign imports is a five-year average.

² Germany imports thirty-five per cent of her tobacco from the East India islands, twenty per cent from Brazil, and nine per cent from Cuba.

Our export leaf, which is destined almost exclusively for the manufacture of plug, chewing and smoking tobacco, snuff and cigarettes, is largely confined to two general types. One is the "Heavy Shipping" tobacco, grown along the Mississippi River, in western Kentucky and Tennessee and in the famous Clarksville region which lies between the Cumberland and Tennessee rivers. The second type is the Burley leaf, raised chiefly in central and northern Kentucky and in several counties in Kentucky and Ohio bordering on the Ohio River. It is grown to some extent in Maryland, Missouri and Illinois. Virginia's shipping crop comprises both the Heavy Shipping and Burley leaf besides some superior wrapper leaf. North Carolina produces the cigarette filler and plug wrapper. The Burley leaf is the better of the two types, and is shipped most heavily to Great Britain, the lower grades going to continental countries. None of our genuine cigar leaf is exported, although Italy and Spain use these cheaper Southern leaves in the manufacture of cigars and cheroots.

As domestic manufacturers and foreign buyers purchase an equal amount of our leaf, prices are fixed, theoretically, by a combination of both demands, domestic and foreign. In fact, however, prices have been, to some extent, arbitrarily regulated by the Trust in agreement with the "Régie" agents, both together using about seventy per cent of the entire crop. As a rule, domestic manufacturers use the higher grade of leaf, and foreign buyers, with the exception of Great Britain take a lower grade. When prices rise, either through a greater demand at home or a shortage in the crop, foreign buyers substitute a lower grade of leaf for the one they have been previously using. This circumstance makes it very difficult to study the relation of prices and foreign ship-

ments. Prices of export leaf since 1875 have remained very steady, as shown in the following table:

EXPORTATION OF UNMANUFACTURED TOBACCO—QUANTITY, VALUE AND PRICE.
(1860-1905.)

Annual Average.	Total Quantity.	Total Value.	Price per Pound.
1859-1861	175,000,000 lbs.	\$16,000,000	9.2 cents.
1862-1865	110,000,000	19,000,000	18.0 "
1866-1870	190,000,000	22,723,000	11.9 "
1871-1875	240,000,000	24,474,000	10.1 "
1876-1880	264,000,000	23,560,000	8.9 "
1881-1885	225,000,000	19,400,000	8.4 "
1886-1890	268,000,000	23,084,000	8.8 "
1891-1895	272,000,000	22,895,090	8.8 "
1896-1900	300,000,000	25,268,000	8.6 "
1901-1905	325,000,000	29,558,000	8.6 "

Since 1860 our exports have increased eighty-five per cent in quantity and eighty per cent in value, which, at the present time, comprises about three per cent of our total agricultural export trade. Our leading internal markets for the sale of this tobacco leaf are Louisville, Cincinnati, Clarksville (Tennessee), Hopkinsville and Paducah. From these tobacco centers most of the leaf is sent by rail to New York, Baltimore and New Orleans; these three ports ship abroad ninety per cent of our leaf exports. The freight rates from these inland markets to the shipping ports average about thirty cents per one hundred pounds, which is equivalent to a three per cent *ad valorem* transportation rate.

Though steadily increasing, our exportation of manufactured products is still slight as compared with our leaf exports. To begin with, the markets of France, Italy, Spain and other "Régie" countries, including Japan, are closed to us, since the governments in these countries exercise a monopoly over the manufacture and sale of tobacco products: England's market is largely non-competitive, as the result of an agreement with English

manufacturers,¹ whereby the Trust is not to compete in Great Britain. Germany is closed to us because of her high tariff rates: thirty cents per pound on manufactured goods and only nine cents on raw leaf.² In countries that do not discriminate against our manufactured products we can not compete because of the difference in the cost of labor, especially in cigars, where hand labor is so essential. In the manufacture of products other than cigars, in which machinery is more important than labor, we enjoy no technical advantages sufficient to offset the difference in general labor costs and foreign tariff duties. Consequently our exports to Europe are very insignificant, amounting all told, in 1905, to \$635,000, which comprises only eleven per cent of our total exports of manufactured tobacco products, and of this one-half is shipped to the United Kingdom, partly for trans-shipment. Our largest foreign markets are Asia and Oceanica, as shown in the following table:³

SUMMARY OF FOREIGN TRADE IN MANUFACTURED TOBACCO:
ANNUAL AVERAGE 1900-1904.

	Plug.	Cigarettes.	Chewing and Smoking Tobacco, Snuff.	Cigars
Total.....	\$2,240,000	\$2,200,000	\$930,000	\$49,000
Asia	1 %	54 %	14 %	4 %
Chinese Empire.				
British India.				
Oceanica	41 %	19 %	30 %	28 %
B. Australia, etc.				
Europe	33 %	16 %	30 %	14 %
United Kingdom.				
Germany.				
Africa.....	1 %	10 %	1 %	1 %
North America ...	12 %	1 %	17 %	32 %
Canada.				
West Indies.				

¹ *Supra*, p. 114.

² *Supra*, p. 168, note 2.

³ Cf. *Commerce and Navigation of the U. S.*, *Annual Report Treasury Dept.*, 1904, vol. ii, pp. 728 *et seq.*

Our tobacco manufacturers, especially the Trust, are energetically developing the markets in the Orient and Australia.¹ It is this extension of trade in these non-European regions that is responsible for the steady and constant increase in our recent export trade. The three million dollar mark of 1860 was not exceeded until 1890 (\$3,876,045); since 1890 the trade has grown to \$5,690,203 in 1905. Our combined export trade of leaf and manufactured products reached \$35,000,000 in 1905.

Summarizing the account of our export tobacco trade, we supply Europe with one-half or more of the entire amount of leaf used in the manufacture of plug, chewing and smoking tobacco, snuff and cigarettes; but our growers have no natural monopoly, for besides producing large quantities, Europe can substitute leaf from Java, Brazil and the Philippines. In the production of the higher grades of cigarette and cigar leaf, we can not compete with Turkey and Algeria, in the former, and with Cuba and Sumatra, in the latter. For a combination of reasons,—the existence of government ("Régie") monopolies in European countries, discriminating tariff duties, the Trust's agreement not to market its goods in Great Britain, and the difference in the wages of labor,—our finished products have thus far found very little sale in European countries. The chief markets for our manufactures, principally cigarettes and plug, are respectively Asia (Chinese Empire and British India) and Oceanica (Australia).

¹ Just as soon as the Japanese government had declared Dalny (Manchuria) an open port, the British-American Tobacco Company, controlled by the American Trust, was on the spot offering tobacco products at greatly reduced rates, in competition with the Japanese goods.

SECTION II. IMPORTS AND THE TARIFF.

IN as much as we export not only the raw material, but also the finished products of manufactured tobacco, (plug, smoking and chewing tobacco, snuff and cigarettes), it is obvious that our problems with respect to our import trade must be confined almost exclusively to cigar leaf and cigars. It is our purpose, in this section, to measure the real significance of our import trade, and to observe how our domestic growers and manufacturers have faced the problems arising therefrom.

Our leaf tobacco imports, prior to 1846, were too insignificant to merit our attention. In the decade, however, from 1850 to 1860, coincident with the expansion of our home market for cigars, our importation of leaf sprang into prominence. In the five year period, prior to the Civil War, it amounted annually to \$1,184,916, imported principally from Cuba. The import movement in manufactured products (plug, chewing and smoking tobacco and snuff) was even more insignificant, for in the entire period, from 1790 to 1860, the imports were less than three-quarters of a million dollars, comprising chiefly a fine grade of snuff and smoking tobacco imported from England. Cigars alone occupied a prominent place among our imports, reaching in 1836 one million dollars annually, in 1851 two million dollars, and finally, in 1860 \$4,586,742. These cigars were imported from Germany and Cuba, the very cheap grade from the former, and the highest grade from the latter country. The largest portion came from Germany, where they were made by very cheap labor under the household system of production. In 1860 the value of our imports was distributed as follows:

TOBACCO IMPORTS IN 1860.

	Value.	Per cent.
Total	\$6,077,901	100
Cigars	4,581,551	75.3
Unmanufactured leaf... ..	1,365,625	22.4
Manufactured tobacco.....	132,725	2.3

With the introduction of a high war tariff in 1862 came a sudden and permanent diminution in the importation of cigars. In July of 1862 the duty was increased from twenty cents to thirty-five cents per pound, or from two dollars to three dollars and a half per thousand cigars, which were valued, when imported, at only six dollars per thousand. This was an advance of nearly one hundred per cent in the *ad valorem* duty. The tariff was further increased during the war, finally reaching, in 1866 to 1868, three dollars per pound in addition to a fifty per cent *ad valorem* duty. From 1867 to 1890 it remained unchanged, a combination of a specific duty, at two dollars and fifty cents per pound, and an *ad valorem* duty of twenty-five per cent. The McKinley Tariff of 1890 raised it still higher to four dollars and fifty cents per pound, plus the twenty-five per cent *ad valorem* duty, which, except for the temporary reduction under the Wilson Act of 1894, and a special reduction of twenty per cent on Cuban goods,¹ has remained intact to the present day.

Concretely what this tariff has meant is this: that from 1867 to 1890 (at \$2.50 per pound plus twenty-five per cent *ad valorem*) a duty of at least five cents was levied on each cigar imported, and from 1890 to the present time (\$4.50 per pound plus twenty-five per cent

¹ By the terms of the reciprocity treaty of 1902 between the U. S. and Cuba, the latter's products are admitted into our country at a 20 per cent reduction of the rate provided for under the Dingley tariff.

ad valorem less twenty per cent on Cuban goods) each cigar imported has been burdened with a tax of at least six cents. The consequence has been that only the finest and highest priced cigars can be imported. The tariff to-day is equivalent to a one hundred per cent *ad valorem* duty on all but the most expensive cigars, which is ample protection to home manufacturers of cigars of the cheaper grades. Our manufacturers sell to retailers clear Havana cigars, which retail at ten cents, for sixty dollars per thousand, whereas the minimum tariff is at least that amount.

A comparison of the quantity and value of cigars imported, prior and subsequent to these high tariff schedules, will indicate what the effect has been. This can best be seen in a table like the following :

IMPORTATION OF CIGARS.¹

Annual Average.	Quantity.	Value.
1855-1859	8,000,000 lbs.	\$4,021,300
1865-1869	667,380	1,479,000
1875-1879	658,000	2,399,459
1885-1889	1,000,000	3,329,186
1895-1899	418,000	1,984,099
1900-1904	515,000	2,687,307

Taking the entire period, the decline in quantity has been about ninety-two per cent, and in value only fifty per cent. Prior to the war our imported cigars constituted over fifty per cent of the entire home consumption, whereas they to-day form less than one-half of one per cent. It should be observed that the decline in imports was very heavy subsequent to the sudden and large increase in the tariff of 1890, the rate advancing from one hundred to one hundred and twenty per cent *ad valorem*.

¹ Cf. "Statistics of Manufactures of Tobacco," in *Tenth Census of U. S.*, p. 48.

With the twenty per cent reduction in the duty, as a result of the Cuban reciprocity of 1902, our imports rose appreciably. In the three-year period, from 1900 to 1902 (inclusive) we received eighteen per cent of Cuba's total cigar exports, whereas from 1903 to 1905 (inclusive) we took twenty-five per cent. Of her total cigar output, Cuba sends to England forty per cent, compared with twenty-five per cent to the United States, thirteen per cent to Germany and four per cent to France. Practically all our cigar imports come from Cuba.

During the development and expansion of the cigar industry, our producers of raw material were likewise taking advantage of the high tariff, which originated in, and continued in operation since, the Civil War. In 1862 the duty was raised from twenty-five per cent *ad valorem* to thirty-five cents per pound, which was equivalent to seventy-five per cent *ad valorem*. As our ordinary cigar domestic filler leaf sells to the manufacturer for about twelve to fifteen cents per pound, this tariff practically excluded all but the finest Cuban filler, just as the tariff on cigars had operated to keep out all but the most expensive grades of cigars. Consequently the production of filler leaf was greatly stimulated in Connecticut, Ohio, Pennsylvania and New York. These growers, who have enjoyed undisturbed protection since 1862¹ are beginning to show some anxiety over the proposed reduction of the tariff on Philippine cigar leaf, which would compete with their own products, especially cigar fillers and binders.*

¹ By the Cuban reciprocity treaty of 1902, a 20 per cent reduction is allowed on Cuban leaf, making the duty 28 cents instead of 35 cents per pound.

² The Payne Bill, which passed the House and is now in the hands of the Ways and Means Committee of the Senate, provides for a 75 per cent reduction of the tariff rate under the Dingley Act.

They have reasons to feel worried, for the present output of this Philippine leaf is over twenty million pounds, or fifteen per cent of our entire cigar leaf crop, and it can be produced at five cents per pound, or about two cents per pound lower than our own leaf. With an improvement in the methods of cultivation, and an extension of its production, this leaf, which is now shipped to Spain and Austria-Hungary, may easily become, under a lower tariff, a competitor of our domestic product.

The high tariff has not, however, been able to exclude the Cuban cigar filler, which is universally regarded as superior in quality to any grown in the world. All efforts to transplant it to our soil, or even to produce a fair substitute, have thus far been fruitless. While our domestic grown filler of Connecticut, Ohio and New York has doubtless been improved as a result of these efforts, it is still used almost exclusively in five-cent cigars; whereas, the Cuban filler is destined, invariably, only for the higher priced cigars. After much experimentation, and only with the aid of a higher protective tariff, Florida filler may be said to be the sole direct competitor of the Cuban leaf. The semi-monopoly, which the latter enjoys in the market, is due to a combination of a peculiar soil and a favorable climate. Besides these natural advantages, its production requires a large amount of skilled human industry. Its cost of cultivation is averaged at forty cents per pound, and it has been marketed, in a twenty year period, at forty-eight cents per pound. Cultivation in Cuba is largely confined to three western provinces, Pinar del Rio (70 per cent), Habana (13 per cent), Santa Clara (13 per cent). In the first is located the most famous tobacco district of Cuba, the Vuelto Abajo.

Though our import movement of Cuban leaf may have

been retarded, it has not suffered any diminution under the operation of our high tariff since the Civil War, as indicated in the following table :

IMPORTATION OF CUBAN FILLER—1855-1905.

Annual Average for Five Year Period.	Pounds.	Per cent of Domestic Cigars Made of Cuban Filler.
1855-1860	7,014,485	Uncertain ¹
1861-1865	5,666,464	Uncertain ²
1866-1870	4,116,595	13
1871-1875	8,985,465	21
1876-1880	7,255,663	14
1881-1885	11,536,374	20
1886-1890	15,532,975	27
1891-1895	15,344,466	23
1896-1900	10,811,173 ³	14 ³
1901-1905	24,048,837	24

These figures show an increase of sixty-six per cent in the quantity of leaf imported since 1855-1860. This offsets the large diminution in imported Cuban cigars in the same period. Clearly what has happened is this, the Cuban cigar industry has, to a very large extent, been transferred to the United States. Instead of importing the finished product, we have encouraged the importation of the raw material and have caused the cigars to be manufactured here. In the period from 1900 to 1905, we purchased over seventy per cent of Cuba's total crop. And our proportion is gradually increasing both in quantity and in value. In 1900 we received only fifty-six per

¹ There are no reliable statistics of domestic production for this period.

² Owing to the great amount of cigars that escaped the revenue inspector during the Civil War, it is impossible to estimate our domestic production.

³ Cultivation in Cuba was checked by the disturbances of the Spanish-Cuban-American War.

cent and in 1904-1905 seventy-seven per cent of her entire supply. The value of these imports has advanced from \$8,478,251 in 1900, to \$13,348,000 in 1905.

Florida has profited most by this movement of part of the Cuban cigar industry to our country. Tampa and Key West have taken away from Cuba not only the raw material, but also many of the skilled laborers. In the twenty-year period, from 1886 to 1906, Florida's output of cigars increased from 92,000,000 to 331,000,000, an advance of two hundred and sixty per cent. The capital invested in the cigar factories, reported by the United States Census, rose from \$1,686,396 in 1890, to \$5,349,907 in 1900 and \$7,383,963 in 1905. The product increased in value from eight to sixteen million dollars. In fact, Florida alone manufactures fifty per cent more Havana cigars than are made in Cuba. The latter's output is about two hundred million, whereas, the former's is over three hundred million cigars. About seventy-five per cent of the leaf grown in Cuba is consumed in the United States.

A second problem with respect to the importation of leaf tobacco is concerned with the substitution of the foreign-grown Sumatra leaf for our domestic cigar wrapper. This silky, elastic, yellow-spotted, Sumatra cigar wrapper has grown in popularity since its introduction into this country in the seventies. It was to check its importation that an alteration in the tariff schedules in 1883 was made, whereby the general duty of thirty-five cents per pound was retained for filler and a seventy-five cent duty was levied on all wrapper leaf. The McKinley Tariff increased the rate to two dollars per pound, but the Dingley schedule put it at one dollar and eighty-five cents per pound, which, except for the twenty per cent reduction allowed on Cuban wrappers, is still in opera-

tion to-day. As Sumatra 'sells at the general market, Amsterdam and Hamburg, for fifty cents per pound, the present tax is equivalent to a three hundred per cent *ad valorem* duty, causing the price in our home market to range from three dollars per pound upwards. In spite, however, of this extraordinarily high tariff, we have continued to increase our consumption of this wrapper leaf. The following table presents both the quantity imported and the relative proportion of cigars wrapped with this leaf:

IMPORTATION AND CONSUMPTION OF SUMATRA LEAF—1880-1905.

Annual Average.	Sumatra Leaf Imported. Lbs.	Cigars Wrapped with Imported Sumatra.	Total Production of Domestic Cigars.	Per cent of Sumatra Cigars of Total Production in U. S.
1881-1885	194,857	34,951,000	3,153,215,366	01
1886-1890	1,123,214	374,404,000	3,819,841,450	10
1891-1895	3,381,000	1,127,000,000	4,413,755,834	25
1896-1900	4,789,606	1,566,535,000	4,850,464,121	32
1901-1905	6,431,392	2,143,794,000	6,649,390,864	32

From which figures it appears that our consumers are increasingly preferring this Sumatra on their cigars. The total value of our imported wrapper leaf from 1896 to 1900 has averaged annually over five million dollars. It is not at all unlikely that if it were not burdened with so high a tariff duty it would completely supplant our two domestic competitors, the Connecticut seed wrapper and the Florida imitation-Sumatra wrapper. Although our seed wrapper costs the manufacturer only from forty-five to sixty cents per pound, and the Sumatra leaf from eighty to ninety cents per pound in bond (in American markets), the former affords a poorer return; whereas six pounds of seed wrapper are required for covering one thousand cigars, only three pounds, or less, of Sumatra

are needed. Under free trade, or only a light tariff duty, the two would stand on the same footing so far as relative costs to the manufacturer are concerned. The Florida wrapper, which is inferior in quality to the genuine Sumatra, sells for about two dollars per pound, and could never compete with the latter except under a very high protective tariff. We have, by our tariff, encouraged the production in Florida of leaf under extremely costly processes. Realizing the value of this Sumatra leaf, our United States Department of Agriculture has been carrying on experiments for ten years, with the view of raising this leaf on our soil (in Connecticut, Georgia, Florida) but its efforts, thus far, have been futile.

In the sale of their tobacco, the growers of Sumatra, like the producers of Cuban leaf, enjoy a semi-monopoly to the extent that they possess the peculiarly favorable soil, in the supply of which nature seems to have been niggardly. Most of this choice and limited supply of tobacco land in the island of Sumatra is in the control of Dutch syndicates, the most famous of which is the "Deli Maatschappy," which produces about one-third of the total crop. This single company, with a capital stock of over a million and a half dollars, has been declaring one hundred per cent dividends annually for over twenty years.

The tariff problem in the tobacco industry is complicated by the traditional fiscal policy adopted with respect to it. There seems to prevail a tacit belief that a government ought to derive from this particular industry as much revenue as possible. Judged by this latter criterion, our own government is very successful, for in the nine-year period, from 1897 to 1905, it has derived annually, in the form of tariff duties on tobacco, no less than \$17,500,000 on imported goods valued at \$15,500,000.

which made the tariff rate one hundred and thirteen per cent *ad valorem*: two and one-half million from cigars on a one hundred per cent duty, five million from filler leaf on a seventy-five per cent duty, and ten million from wrappers on a two hundred per cent basis.

When distributed among the various elements and classes in the industry and among consumers, the burden occasioned by this high duty is borne without any complaint or great hardship. In the case of imported cigars, the consumers, by the very fact of their being able to purchase so expensive a grade of goods, are able to bear the incidence of the tax, which does undoubtedly fall upon them. The tax on Sumatra is, in effect, five dollars per thousand cigars, which is equivalent to a burden of one-half of one cent on each cigar consumed. The tax on Cuban filler is even less than this amount, approximately, four dollars per thousand, or four-tenths of one cent on each cigar. Because of the insignificance of the burden, a reduction in the tariff might not in the least redound to the benefit of the consumer, but in all likelihood, would confer a larger element of profit upon the retailer. Nor must it be forgotten, that the imported unmanufactured leaf is, in some respects, non-reproducible, since the cultivation can not easily be extended. A reduction of the tariff might conceivably, therefore, merely confer an added advantage upon these Cuban and Sumatra land owners. To the extent, however, that these producers enjoy only a partial monopoly, and that the cultivation of these import types could be further extended, even under increasing costs, the price of this leaf would be lower, and the consumer might then receive a slightly better quality of cigar than he is at present obtaining without any increase in price. With the duty on Sumatra and Cuban filler greatly reduced, our domestic

manufacturer could always afford to use the former on five cent cigars. and some quantity of the latter. In our opinion, a reduction of the tariff would be followed, not by any single one of these alternatives, but by a combination of them. The revenues relinquished by the government would go, in part, to the consumer in the form of an improved quality of his cigar; partly to the retailer, since the latter would be able to buy cheaper from the manufacturers; and partly to foreign landowners, who would profit by an increase in the demand for their particular crops.

In conclusion, it ought to be said, that the interests of American farmers and manufacturers are not identical. The farmer has been clamoring for high duty on raw material—Cuban filler and Sumatra wrapper; whereas the manufacturer has been equally desirous of obtaining, not only high duties on manufactured products, but low rates on raw material. Our high tariffs on raw material and manufactured cigars have artificially stimulated the production of both; as, for instance, the Florida-Sumatra leaf and the transplanting of the Cuban cigar industry to Tampa and Key West. In both instances economic waste is involved. It is also worth noting, in conclusion, that over three hundred million pounds of exported leaf are valued at only twenty-five million dollars, compared with fifteen million dollars for thirty million pounds of imported leaf. This means that we export an inferior grade and import a superior grade of leaf.

CHAPTER VII

THE TOBACCO TAX

It is possible for a government to adopt one of at least four different attitudes or policies toward an industry: it may assume a purely negative or *laissez-faire* attitude; it may, for social reasons, supervise and regulate certain features of the industry, as when it attempts to regulate railroad rates; it may adopt a purely fiscal policy, in connection with which the industry is considered as a source of public revenue; or lastly, it may, for broad socio-economic reasons, assume the responsibility of directly owning and operating the entire industry, as in the case of government ownership of the post office or railroads. Although we shall have occasion, in passing, to compare the operation of these various policies with respect to the tobacco industry, our study will be confined largely to the fiscal relation between our own government and this industry. Our policy has not been unique, for all important countries have, for centuries, regarded the tobacco industry principally in the light of a revenue yielder.

Having adopted the fiscal attitude, it still remains to select that particular method of taxing the industry which will be most lucrative to the government and least injurious to the development of the industry itself. Which system this is to be will depend largely, but not altogether, upon the primary economic status of the industry with respect to each particular country. Nations that

import most of their raw material—leaf tobacco—as do England, Germany, Belgium, Holland, Norway and Sweden, find the customs system as serviceable as any. Some importing countries, however, as for instance France, Austria, Spain, Italy and Portugal exercise a government monopoly over the purchase and sale of tobacco; in which instance, the public revenue is equivalent to the surplus of the selling price over the purchasing price or cost of production, and consists not merely of the tax paid ordinarily by the consumer, through an impost, but includes also that portion of the trade profits which formerly went to the manufacturer, jobber and retailer. It is obvious that countries producing largely for home consumption and exportation, can not rely on an import duty. They can, however, like Japan, exercise a complete monopoly or government “Régie” as it is called; or such countries like Russia, Germany and the United States may utilize as a supplement to an import duty, the excise or internal revenue system, whereby a tax is levied on all articles of consumption. While these various systems of taxation are not readily interchangeable, it frequently happens that alternative policies are presented to a single country. To reach the largest portion of tobacco consumed in our country, which is home grown, we employ an excise stamp tax: whereas, Japan, similarly situated, accomplishes the same end through a government monopoly over the entire industry.

Prior to the Civil War our internal revenue tax was resorted to only on two different occasions. In 1794 a tax was levied on manufactured tobacco to help defray the costs of administering the national government. It gave rise to so much discontent, however, that it was

abandoned after being in operation but two years.¹ It was again introduced during the War of 1812, but remained in effect only until 1816, when the national government returned to dependence for its revenues upon tariff duties. The excise tax was not attempted again until 1862, when the financial stress of the rebellion imposed upon the national government the utilization of all available sources of revenue.

Thrust upon the government so suddenly, with little time for public discussion and consideration, the excise system, adopted in July, 1862, was naturally crude and unsatisfactory in many respects.² At first, the proposal was made to tax the raw material as well as the finished product. But it was considered either impossible or too costly for the government agent to search out and tax the raw material, which was grown so extensively. Consequently the proposed tax on raw leaf was never embodied in the law. Moreover, the original excise measure provided for an *ad valorem*, as well as a specific tax on the finished product: goods valued above thirty cents per pound were taxed fifteen cents; for those under thirty cents the tax was ten cents per pound. As it was left to the manufacturer to assess his wares,³ this system put a premium upon dishonesty. These abuses were remedied by abandoning, in 1863, the *ad valorem* feature in manufactured tobacco and in 1868 in cigars. A more

¹ The net revenue to the government during these two years was only \$26,961.

² The act did not go into operation until September of 1862. For a detailed description of the various changes in the development of our internal revenue tobacco tax, cf. "The Tobacco Tax," by Frank L. Olmsted, *Quarterly Journal of Economics*, Jan., 1891.

³ Government assessors were appointed in each district to assist the tax collector settle disputes arising from doubtful assessments or valuations.

serious weakness in the system was the absence of any method whereby the government revenue officials could detect violations of the law, since it was impossible to discriminate the untaxed from the taxed products. The tax was paid by the manufacturer after his products had left the factory and were beyond the reach of the inspector or tax collector. In 1863 a branding process was introduced, but this too was ineffective.¹ Finally, in 1868, came the method now in vogue, the use of a government adhesive stamp on all packages containing manufactured products. As a further check upon possible fraud, an inventory system was introduced requiring the manufacturer, as well as the leaf dealer, to report to the government a detailed monthly statement of the quantity of his purchases and sales. By 1870 this remodeled system had proved its efficiency.²

The principal features of the tax of 1870 have remained in operation to this day. There is no tax on raw material, as such, in the hands of either the farmer or the leaf jobber.³ No tobacco, however, can be sold to the consumer without first bearing a government stamp. All finished products are taxable to the manufacturer.

¹ Inspectors were commissioned by the government to attach to each package of tobacco a seal or mark noting the quality and weight, etc., of said branded package. By collusion between the inspector and manufacturer the government was often defrauded of its proper revenues.

² The new features and amendments to the system adopted in 1868 were the outcome of a convention of tobacco and cigar manufacturers at Cleveland in 1867. Mr. D. A. Wells recommended many of the admirable features subsequently adopted by the convention and later embodied in the law of 1868. *Cf. Report of Special Commissioner of Internal Revenue*, 1868; also regular report of same year.

³ There is now pending in Congress a bill which permits growers to sell leaf tobacco directly to the consumers without paying the tax which is at present required.

The latter being made responsible for the tax, he is required by law, as suggested above, to submit to the national government a detailed monthly and annual report of the quantity of leaf purchased and goods manufactured, so that the amount of government stamps purchased by him may tally with the amount of merchandise manufactured. For administrative purposes the country is divided into sixty-six revenue districts, in each of which is a collector of revenues, clerks and deputies. Final authority and responsibility are centralized in a commissioner of internal revenue, within the jurisdiction of the Treasury Department. And lastly the tax itself has remained specific; the rate at present, for instance, being three dollars per thousand cigars irrespective of their value; cigarettes one dollar and eight cents per thousand; manufactured tobacco and snuff are taxed, irrespective of their values, six cents per pound.¹

Owing to the rapid increase in tobacco consumption since the Civil War, the government has found it possible to reduce the rate of taxation without occasioning any permanent diminution in the net revenue collected. As a result, however, of too sudden changes in the rate of the tax, sharp temporary fluctuations in the revenue were experienced. The relation between the rate of the tax and the net revenue with respect to manufactured tobacco is indicated in the following table:²

¹ Small cigars, however, weighing three pounds or less per thousand, are taxed only 54 cents per thousand. Likewise, cigarettes, weighing three pounds or less, are taxed 54 cents per thousand.

² For rates of tax and revenues collected from 1863 to 1900, *Cf. Report of Commissioner of Internal Revenue*, 1901, pp. 421-427.

RATE OF TAX AND NET REVENUE COLLECTED ON MANUFACTURED TOBACCO
SINCE 1863.

	Rate of Tax.		Net Revenue.	
	Cents per Pound.	Percentage of Variation.	Dollars.	Percentage of Variation.
1863-1865	14		6,000,000	
1866-1872	30	+114	19,000,000	+210
1873-1879	22	- 26	25,000,000	+ 31
1880-1883	15	- 33	23,000,000	- 8
1884-1891	8	- 50	16,400,000	- 30
1892-1897	6	- 25	16,000,000	- 2
1898-1901	12	+100	34,000,000	+113
1902-1906	6	- 50	22,600,000	- 33

From this table it appears, that from 1866 to 1872 and from 1898 to 1901, the net revenues increased even more than the rate of the tax. The excess of increase is due, in the first period, to the improved system of collecting the revenues, explained above, and in the second period, to the absolute increase in the consumption of tobacco. If the increased tax affected the rate of per capita consumption, it was not to a sufficient extent to offset the absolute increase due to the growth of population. In every instance when the rate of tax was decreased, the net revenues suffered a smaller diminution: and in one period (1873-1879) an absolute increase in the revenues accompanied a lowering in the rate of tax. Both phenomena are again to be explained by the absolute increase in consumption.

This was equally true in the case of cigars and cigarettes. A fifty per cent reduction in the tax on cigars in 1883 (from six to three dollars per thousand), was accompanied by only a thirty per cent reduction in net revenues. A twenty per cent increase in the tax (war revenue), in 1898, was followed by a thirty-five per cent increase in the net revenues. When the war tax was removed (in 1902) the revenues, instead of falling off,

actually increased over five per cent.¹ When the cigarette tax was reduced, in 1883, from one dollar and seventy-five cents to fifty cents per thousand (seventy per cent reduction), the net revenues fell off only thirty-eight per cent. When, however, the war revenue of 1898 increased the tax from fifty cents to one dollar and fifty cents per thousand, the net revenues advanced only twenty per cent. It appears that where the tax is already high, as on cigarettes, a further increase in the rate checks consumption. We present in the following table a summary of the net revenues to the government from the excise tax on tobacco in all its forms :

INTERNAL TOBACCO REVENUE.		
Period.	Sum Collected Annually.	Remarks.
1863-1868	\$13,019,000	High tax, but inefficient administrative system.
1869-1878	\$35,000,000	High tax, but efficient system of collection and increased consumption of tobacco.
1879-1888	\$35,000,000	Fifty per cent reduction in tax, accompanied however by increased consumption.
1889-1898	\$32,000,000	Further reduction in tobacco tax. Consumption not heavy enough to offset reduction in tax.
1899-1901	\$55,000,000	War occasioned great temporary increase in tax.
1902-1906	\$45,000,000	War tax reduced on all tobacco but cigarettes,—consumption greatly increased.

Of our entire internal revenue from 1863 to 1906, collections from tobacco have comprised about twenty per

¹ Cf. *Report of Commissioner of Internal Revenue, 1901*, pp. 425-427. The revenue from 1880 to 1882 was \$17,000,000, and from 1883 to 1885 \$12,000,000 annually. From 1890 to 1901 it reached \$19,000,000, and from 1902 to 1906, in spite of the tax reduction, \$20,000,000.

cent; a little less than eighty per cent is derived from the tax on spirits and liquor.¹ Of the total tobacco revenue collected from 1902 to 1906, fifty per cent was derived from manufactured tobacco (plug, chewing and smoking tobacco and snuff), forty-five per cent from cigars and five per cent from cigarettes.* If to these internal revenue receipts we add the custom duties on tobacco (\$21,500,000), the total income to the government, from 1902 to 1906, from its taxation of tobacco was \$66,000,000 annually, which is about thirteen per cent of the national public revenues from all sources.

One of the fiscal merits of the internal revenue system is its flexibility. It can be made to yield a larger income without any serious disturbance to the industry. An instance of this occurred during the Spanish-American War, when the tax rate was increased one hundred per cent on manufactured tobacco, fifty per cent on cigarettes and twenty per cent on cigars, netting an increase of over seventy per cent in the total revenues, without causing the least friction or cessation of business at any point in the industry. The principal reason for this is due to the fact that, as the consumer is not asked to contribute directly through an increase in the price of his products, he is not likely to curtail his consumption. In the instance cited, instead of increasing the conventional price per unit, the manufacturer reduced slightly the quantity offered (*e. g.*, the ordinary three-ounce package smoking tobacco was reduced to two and one-

¹ The total internal revenue, annually (1903 to 1905), amounted to \$232,000,000, of which \$44,000,000 was derived from tobacco and \$185,000,000 from spirits and liquor.

* \$22,600,000 from manufactured tobacco, \$20,000,000 from cigars, \$2,600,000 from cigarettes.

half ounces) and a slightly inferior grade of leaf was substituted in the manufacture of cigars and cigarettes. Such a change is too insignificant to affect appreciably the rate of consumption. Consequently by a slight variation in the rate of the tax the revenues can be greatly increased or diminished without occasioning any serious disturbance within the industry.

To understand the effect and incidence of the tax, it is first necessary to study concretely the relation between the tax and the cost of production and price. Since the tax is specific and the cost of production varies with the quality of goods, it is impossible to state in general terms, for the entire trade, what proportion of the total cost the tax represents. On goods that retail for five cents per unit (*e. g.*, package of smoking tobacco or a single cigar) the tax comprises from fifteen to twenty-five per cent of the total cost of production. For instance, a fine five-cent cigar can be manufactured for twenty dollars per thousand, while the tax is three dollars a thousand, or fifteen per cent *ad valorem*. The ratio of the tax varies inversely with the quality and cost of goods. This is one of the defects of the present system, that a twenty-five-cent cigar pays no greater tax than a five-cent cigar. The tax on manufactured tobacco, like that on cigars, is six cents per pound, irrespective of the value of the finished products; while the tax on cigarettes is highest of all, thirty-eight cents per pound (one dollar and eight cents per thousand cigarettes weighing three pounds). On every five-cent package of chewing or smoking tobacco, snuff or cigarettes the consumer contributes to the government one cent, and on each cigar three-tenths of one cent. From the consumer's standpoint, therefore, it is equivalent to a consumption tax of at least twenty per cent on cigarettes,

fifteen per cent on smoking and chewing tobacco, and six per cent on cigars.

Unconsciously, and therefore without complaint, the consumer is making this heavy contribution for the support of the national government; for as this tax enters as one of the fixed charges in the cost of production to the manufacturer it enters into price. The tax on manufactured tobacco (six cents per pound) exceeds the labor charges in the manufacture of the same; and in the manufacture of cigars, where hand labor is an important factor in production, the tax (three dollars per thousand, in addition to the import tax on cigar leaf, Sumatra and Cuban filler) is about fifty per cent of the labor costs; in cigarettes (at one dollar and eight cents per thousand or thirty-six cents per pound) the tax is equivalent to the cost of raw material and the wages combined. In the event of a sudden increase in the rate, the reason the consumer does not feel that the tax is shifted to him is due, as suggested above, to the fact that it takes the form of an alteration not in price, but in quality and quantity, and that the alteration is often either too subtle or too slight to make itself immediately felt.

That such a change in quality and quantity can be easily resorted to without materially checking consumption, is an indication that the industry is not taxed to its utmost. When we compare our tax with that of foreign countries, we realize how comparatively light our own is. This is brought out very clearly in the following table, which shows the relation between the rate of tax, the per capita consumption, the per capita tax and the total revenue:

RELATION BETWEEN THE RATE OF TAXATION, CONSUMPTION AND TOTAL
REVENUES FROM TOBACCO.¹

	Tax per Pound.	Per Capita Tax.	Per Capita Consumption.	Total Revenues.
France	76c.	\$2.08	2.2 lbs.	\$70,000,000
United States.....	15	.80	5.3	65,800,000
United Kingdom..	76	1.49	1.9	63,800,000
Italy	91	.95	1.0	31,000,000
Austria	35	1.64	3.0	27,000,000
Russia.....	16	.18	1.2	24,000,000
Germany.....	8	.28	3.5	16,500,000
Japan	16	.34	2.0	16,250,000
Hungary.....	29	.72	2.4	14,260,000
Belgium	3	.38	5.7	1,687,000

Where the tax is very high, as in Italy, France, the United Kingdom, Austria and Hungary, the tobacco revenue is contributed by fewer consumers than where the rate of the tax per pound is low as in our country, in Germany, Russia, Japan and Belgium. In the first group the tax is high enough to diminish both the number of consumers as well as the consumption per capita. In our own country consumption is heavy extensively as well as intensively. What we lose in revenues through the relatively low rate of tax, we gain by stimulating consumption among a greater number, as well as increasing the per capita consumption. Which, from a social point of view, is preferable, will depend on our attitude toward the question of the social utility of tobacco consumption. If we consider it a legitimate form of pleasure, then it is wiser to have a low tax, since the

¹ In this table the tax per pound refers to the duty and excise on each pound of leaf tobacco; the per capita tax is estimated on the basis of the entire population of the particular country; the per capita consumption is likewise based on the total population, not merely on the consumers of tobacco; the total revenues include both the customs duties and the excise tax wherever both exist, as in our own country.

poorer classes can thereby participate in the indulgence in a higher quality of tobacco at a moderate price. In France and England only the wealthy classes can afford to consume the higher grades of cigars and smoking tobacco.

The most equitable system would be an *ad valorem* tax, graduated so as to make the consumer contribute in direct proportion to the price of the commodity.¹ Our present excise system has no provision for an *ad valorem* rate, because as was discovered during the Civil War it is almost impossible to ascertain the true value of the finished products. Where we do attempt to apply the *ad valorem* tax, as in our import duty on leaf tobacco, it is inefficient. The duty calls for thirty-five cents per pound tax on fillers and one dollar and eighty-five cents per pound on wrappers. As a matter of fact, nearly all the leaf imported from Cuba, much of which is wrappers, enters under the thirty-five cent rate, (less twenty per reduction according to the reciprocity treaty of 1902). Although there are each year about four hundred million clear Havana cigars manufactured in this country, requiring (at the rate of four pounds of wrapper per one thousand cigars) a total of 1,600,000 pounds of wrappers, our government collects annually duty on less than seventy thousand pounds of Cuban wrappers. Through its inability to apply the *ad valorem* test, which is based on a rate discrimination between fillers and wrappers,²

¹ Japan's revenue stamp tax from 1876 to 1894 was an *ad valorem* impost, equivalent to two-tenths of the selling price. Its abuses were so great that the government finally established a Leaf Tobacco Monopoly in 1894.

² To be classed as wrappers, a bale of tobacco must contain more than 15 per cent wrappers. Of the entire leaf imported annually from Cuba, 21,000,000 pounds (from 1902 to 1906, inclusive), only 70,000 pounds were annually classed as wrappers.

there is a net loss to the government annually of two million dollars.

The difficulties in the way of a vigorous and just application of the *ad valorem* tax, either in our internal revenue system, or in our import duties, are obviated by a government monopoly over the industry like that exercised by France or Japan. Moreover, in such cases, the government being the sole buyer of leaf and the single manufacturer within the country, all smuggling and internal revenue frauds are practically eliminated. Both France and Japan own and operate exclusively the tobacco factories in their respective countries, and all retailers are supplied with goods direct from the government, through the latter's agents. The price of leaf, as well as the finished product, is fixed arbitrarily by the government.

As a method of taxation, a government monopoly is said to carry with it possible dangers and disadvantages. Fiscal considerations are often apt to lead a government to exploit the particular industry to the detriment of the general consuming public. In France and Italy the rate of profits, or the tax, represents about eighty per cent of the gross selling price of the finished product, as compared with a fifteen to twenty per cent tax in our own country.¹ Where the rate of profits is so high, the consumers are compelled to pay unreasonably high prices for their tobacco. For there is no good reason why this particular industry should be thus singled out and exploited for government revenues.

It must, however, be borne in mind that the excessive

¹In 1904 the gross receipts of the French Tobacco Régie were \$86,000,000, of which \$80,000,000 was net profits or revenue for the government. In 1904-1905 the gross income of the Italian Tobacco Régie was \$35,000,000, of which \$25,000,000 was net profits or revenue for the government.

rate of profits under a government monopoly is no condemnation of the system as such. The tax on tobacco in England through the operation of an import duty is much higher than the tax in Japan, under a government monopoly. This much, however, must be granted, that when the industry is a private enterprise, the government's unreasonable policies are likely to meet with resistance from the capitalistic interests engaged in the industry.

Furthermore, it has been charged that the consumers suffer under a government monopoly as a result of the government's inefficiency as a producer. There is, however, no evidence to show that such is the case. The inferior quality of finished products offered to consumers in European countries may be due not to the particular methods of production, but rather to the conscious desire on the part of the government to increase its revenues by using, purposely, a less expensive grade of raw material.

Summarizing our discussion, therefore, we may say that the administrative features of our internal revenue stamp tax are fairly efficient but less so than under the operation of a government monopoly. For the latter, by exercising complete control over the entire industry, can prevent all smuggling and frauds. Moreover the "Régie" has the advantage of being able to apply successfully, as our system cannot, an *ad valorem* tax, since the government monopoly fixes the values and prices of all goods. While both systems of taxation are flexible, the "Régie" possesses the added merit of preventing an evasion of the increased tax when a change is made in the schedule.¹ Because of the volume of consumption of

¹ Many tobacco and whiskey manufacturers and merchants are said to

tobacco in our country, a comparatively low tax makes possible a government revenue as large as, and in most cases larger than, in most European countries where the tax rate is usually higher.

have gotten rich during the Civil War, at the government's expense, by increasing their output in anticipation of an increase in the tax rate.

CHAPTER VIII

SUMMARY AND CONCLUSION

To weave together the threads of a treatise that embraces the development of an industry through three centuries of change is no easy task. The diversity of the material and the variety of problems do not admit of a complete synthesis. The most that we can do is to note briefly some of the significant phases in the progress of the industry—in agriculture, manufacture, the labor problem, distribution, and consumption.

§ 1. *Agriculture*.—The cultivation of tobacco for gain has been extended from the narrow limits of the earliest Virginia settlement at Jamestown to more than forty states in the Union. For ten states it ranks to-day among their principal commercial crops. With the exhaustion of the soil from excessive use, the destruction of agricultural capital during the Civil War, and the opening up of virgin soil in the middle west and south, the center of leaf tobacco production shifted from Virginia and Maryland to Kentucky, Tennessee, Ohio and North Carolina. With the development of the cigar industry, the production of cigar leaf, protected by a high tariff since the Civil War, has expanded enormously in Ohio, Connecticut, Wisconsin, Pennsylvania, New York, and Florida.

The primary difference in the chemical composition of the soil of the South and the North has made their leaf tobacco non-competitive products; the Northern leaf is

used almost exclusively in the manufacture of cigars, while the Southern leaf, with the exception of Florida tobacco, is destined for all tobacco products other than cigars. The vast area of fertile soil has enabled America to maintain its hold on the world market in the supply of leaf used in "manufactured tobacco."

For over two hundred years the development of the Southern tobacco production was bound up with the institution of slavery and the plantation system of cultivation. With the collapse of slavery and the destruction of agricultural capital during the Civil War, came a disintegration of the large estates and an ever increasing number of small farms. The inability of the large land owners to command an adequate supply of labor has made necessary the leasing out of small holdings to poor tenants under the crop-sharing system. The latter has supplanted the plantation system.

Simultaneously with the rise of small holdings, intensive cultivation was being hastened by the introduction of more scientific methods of cultivation. For since the Civil War a more extensive application has been made of the rotation of crops, commercial fertilizers, and improved methods of "curing" tobacco. Moreover, this intensive cultivation has been partly engendered by the growing demand of consumers for a better quality of tobacco. With the movement toward small holdings, intensive cultivation, and the emphasis on quality, the need in the South is not for land but for more labor and capital.

The problems of the planter are many: regulation of the crop, so as to avoid over-production as well as under-production; the inadequacy of the labor supply, especially in the South; the capricious forces of nature to which tobacco is very sensitive. The one problem,

however, that has overshadowed all in the last ten years, and which to-day is more ominous than ever, is the Trust. By its strategic power as a buyer it has been able to depress prices on all tobacco except the cigar leaf. The demand for the latter is still largely from the independent manufacturer and not the Trust. Over seventy-five per cent of the entire Southern supply is purchased by the Trust and the "Régie" agents. With the power of the buyers concentrated in a few hands and the great number of sellers poorly organized and competing among themselves, prices are naturally low. United efforts and attacks of the growers upon the Trust have thus far been futile, and the problem is still as acute as ever. In their despair the Southern growers are looking anxiously to the government for a remedy or a mitigation of the Trust evil.

§ 2. *Manufacture.*—In manufacture, also, the industry has undergone momentous changes. Differences in the technical processes of production distinguish the manufacture of plug, chewing, smoking tobacco, snuff and cigarettes from the manufacture of cigars. As the former were more easily adapted to machine production, it was there that the domestic system was first displaced by large-scale factory production, and there also that the Trust arose and perfected its organization. The importance of machinery and large fund of circulating capital early led to a concentration of production of "manufactured tobacco," long before the Trust had entered the field.

In the manufacture of cigars skilled hand-labor has remained to this day the most important factor, machinery and unskilled labor having been introduced only in the production of the very cheapest cigars. This has prolonged the life of small-shop domestic production.

The large factory, however, is beginning to supplant the small producer. The advantages on the side of the former in the sale of the goods as well as in the purchasing of the raw material, are thus far the only decisive factors. The small producer has profited by the disorganized character of the retail market. The personal element, in the sale of goods, has been capitalized by the small producer, and this explains in part the slow headway made in the cigar industry by the Trust.

The Trust first appeared, in 1890, in the cigarette industry where concentration and machine production had reached the highest point of development. The immediate cause of the Trust organization was the endeavor of the large producers to escape from the intense and ruinous competition which resulted from the invention and introduction of new cigarette machines. The conditions which favored the extension of the Trust activities from the cigarette industry to other branches of the trade were: first, a disorganized wholesale and retail market which occasioned too high profits; wasteful competition among the host of manufacturers in attempting to create markets for their brands; and intense competition among the manufacturers in the purchase of raw material.

The success of the Trust has been due, however, not to superior economy in production and distribution, which the temporary condition of the industry made possible, but to the practice of destructive methods of competition. The principal weapon of the Tobacco Trust, and one employed so effectively by the Standard Oil Company, is local competition—underselling a competitor in a restricted field, while sustaining prices elsewhere. Temporary losses suffered in such competitive struggles are compensated for either by increasing prices to the consumer or by reducing the profits of the jobber and retailer after the market is controlled by the Trust.

The Trust first achieved success in the manufacture and sale of cigarettes, then in smoking and chewing tobacco, and finally in snuff and stogies. The cigar industry has alone remained to this day for the most part in the hands of independents. But even here the Trust is making headway through the organization of its retail agencies, the United Cigar Stores. The success of the latter means the extinction of the independent retailer, and with his extinction the markets will be closed to the independent manufacturers. From present indications it would not be too rash to predict the absorption of the cigar industry by the Trust quite as completely as the other branches have been absorbed.

§ 3. *The Labor Problem.*—The two forces that have revolutionized the organization of the tobacco industry, namely, the introduction of machinery and concentration of ownership of the means of production, have reacted detrimentally upon the condition of labor in the tobacco industry. The introduction of machinery has meant initially for the skilled worker a reduction of wages and ultimately his displacement by a less skilled and a lower paid grade of labor. From a social standpoint it has involved the production of goods by a less intelligent and less skilled grade of labor.

Since effective organization among the laborers is rendered more difficult because of the influx of women and unskilled male labor, made possible by the introduction of machinery, the possibility of securing better conditions from their employers is thereby minimized.

Concentration of ownership and control by the Trust has tended to place the laborers at a disadvantage in bargaining collectively with employers. The Trust has not only exercised its privilege in refusing to recognize the Union of Tobacco Workers, but has taken advantage of

the disorganized condition of labor by refusing to bargain collectively with its employees.

These conditions are especially applicable to the tobacco workers, where machinery has introduced a low grade of labor, women and children, and where the Trust has been most successful in controlling the industry. Wages of the tobacco workers are therefore very low.

Conditions in the cigar trade are more favorable. On the one hand the existence of a skilled body of workers makes possible a strong and efficient labor union which can insist upon fair terms through collective bargaining. On the other hand, skill is so important that the supply of labor cannot be easily replaced in time of strike. Moreover, in the absence of a complete control of the industry by the Trust, the terms of the labor contract are apt to be in favor of the laborers since the latter are very efficiently organized.

To no small degree has the welfare of the cigarmakers been protected by their powerful organization—the Cigar Makers International Union. In strengthening its internal organization this Union has made splendid use of a system of “benefits” for the protection of its members when on strike, unemployed, or in need of traveling expenses. In its contest with non-union manufacturers it has utilized to the fullest extent the Union label.

§ 4. *Distribution.*—Concentration in production and control of the industry by the Trust have made possible a more systematic organization of the wholesale and retail markets. This is especially true when the Trust has been most successful, namely, in the sale of “manufactured tobacco.” Here the profits of the middleman have been reduced to a minimum, and are consequently low compared with the rate of profits in the cigar in-

dustry. The elimination of the jobber and the reduction of the retailer's profits are the most tangible allurements to the Trust. Where the Trust is strongly organized and exercises most effective control, the problem of the jobber is: How to take advantage of the larger profits offered through the sale of independent goods without being denied the privilege of selling the goods made by the Trust? For the independent retailer the problem is: How to compete with such attractive and so efficient distributing agencies of the Trust as the United Cigar Store and the National Cigar Stand?

Consumption.—The rapid development undergone by the tobacco industry in the last half century has had for its basis the expansion of tobacco consumption, especially in our own country. Most remarkable in recent years has been the expansion of the consumption of cigars: due in part to the improved quality of cigar leaf, and in part to the increased purchasing power of the general consuming public. Because of the importance of skilled hand labor and the use of a superior grade of leaf in production, the cigar is still the most expensive form of tobacco consumption. The total annual expenditure for tobacco is \$500,000,000, two-thirds of which is for cigars. Since the Civil War the rate of per capita consumption of all tobacco has increased over 200 per cent.

For the consumers, as such, the problem of the Trust is not yet a pressing one. Where the Trust control has been most thoroughly effected in the manufacture and sale of plug, cigarette, chewing, smoking tobacco and snuff—prices of the finished product have not been materially increased. For this two reasons may be assigned: first, there has always been enough actual and potential competition from independents to prevent too high an increase in price by the Trust; second, because

of the convenience of the traditional retail price, on the scale of five, a small increase in price is not always practicable. Moreover, because of the great importance of brands and the necessity of sustaining their quality, it is very dangerous to substitute an inferior grade of leaf in the finished product. The sudden loss of trade in the sale of Havana goods by the Trust is a case in point. It is because the Trust is still in a militant state and still fighting for complete monopoly that it has been unable to raise retail prices to the consumer. Bearing in mind, however, the bitter experiences of consumers of commodities whose sale has been completely monopolized by Trusts, it is to the interest of the tobacco consumer to prevent, if possible, a similar monopoly in the tobacco industry.

For the planter, the independent manufacturer, jobber and retailer, the laborer and the consumer, the vital problem to-day is: How to prevent a repetition of the pernicious methods of competition already practiced by the Trust and how to forestall the more disastrous effects that are certain to ensue upon the attainment of a complete monopoly. Above all, the method of local competition—underselling in a restricted market—must be prohibited if competition is to survive. Remembering, however, that there are certain distinctly social economies introduced and maintained by the Trust form of organization and which it would be folly to abandon, the problem from a social standpoint in the tobacco industry, as in other industries, is—How to keep alive competition without the wastes of competition? How to preserve the economies of large-scale production and distribution without entailing the evils of monopoly?

The history of the futile struggle of the voluntary associations among planters, independent manufacturers,

jobbers, retailers and laborers, against the Trust, only confirms the general lesson learned from other industries that nothing short of a second Trust with an equally great capital fund can successfully cope with the Trust already in control of the market. But we have also learned that a competitive war between two such giants, besides being socially undesirable, usually culminates in an even greater Trust.

The interests within the industry must join with the public in looking to the government for a solution of the problem. The history of anti-Trust legislation teaches us at least one thing: that no effective control or regulation of Trusts can be expected from state legislatures. The power of the regulating body must be co-extensive with the field of activities of the organization it seeks to regulate, which, in the case of the Tobacco Trust, is national. Disregarding the alternative of a complete government ownership and operation of the industry, such as is now exercised successfully in Japan,¹ immediate and urgent reform calls for regulation of the Tobacco Trust by our Federal Government.

¹ Cf. "*A Short Account of the Tobacco Monopoly Law in Japan*," by Y. Sakatani, Vice-minister of Finance, 1905, pp. 7-9. The Japanese government, after a thorough investigation of the relative merits of private ownership as it exists in the United States and government ownership as it has existed in France for some time, decided to adopt the latter for her own country.

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STUDIES IN HISTORY, ECONOMICS AND PUBLIC LAW

EDITED BY THE FACULTY OF POLITICAL SCIENCE OF
COLUMBIA UNIVERSITY

Volume XXVI]

[Number 4

**SOCIAL DEMOCRACY AND
POPULATION**

BY

ALVAN A. TENNEY, Ph.D.

Tutor in Sociology, Columbia University



New York

THE COLUMBIA UNIVERSITY PRESS

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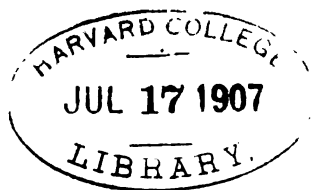
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PREFACE

SOCIOLOGISTS are no longer hypnotized by the so-called organic theory of society. On the psychological side the awakening is complete. On the biological side, however, release from this long-dominant idea has not led to the same intellectual freedom. On the one hand the "anthropo-sociologists," brandishing calipers and "the survival of the fit," and, on the other hand, Mr. Benjamin Kidd focusing attention on Weismann's "panmixia" and degeneration have obstructed the free play of thought in this field.

At the same time, although Darwin has revolutionized other departments of scientific investigation, the doctrine of population as applied to human society has remained largely as Malthus left it. The economists seem to have monopolized the subject, and in their pursuit of psychological refinements of general economic theory appear to have gone unscathed by the Darwinian awakening. They have modified the original formula, but have failed to take into account influences, other than economic, which effect population changes.

Meanwhile the world is moving faster than ever before. Population is increasing with tremendous rapidity. Social conditions are becoming more and more complex. In consequence the question has even been raised seriously whether the giant, society, does not grow more rapidly in bulk and in complexity than in self-command. No one questions that its desires have increased. Within the past quarter-century has developed an insistent popular demand

for realization of Lowell's idea of democracy—"a society in which every man has a chance and knows that he has it." The question is, can society realize its desires?

To sociology falls the task of dealing with this problem in its entirety. The special social sciences of economics and politics have already faced the question in part. The distribution of wealth and the administration of states have long been studied with relation to it. Another step is for sociology to develop the social implications of biological facts as applied to society, gather together principles already formulated by its own leaders, and analyze and synthesize, more fully than has yet been done, the forces other than economic or political that will make or mar this social ideal.

It is indeed true that biology as well as sociology has not yet gathered all the necessary information. The problem of the heredity of acquired characteristics is still unsolved. In many other vital respects the conclusions reached are but tentative. Nevertheless there has been slowly gathering a body of knowledge respecting the biological aspects of population movements which not only needs formulation but also requires to be brought into relationship with other known factors of social dynamics. The task here outlined cannot be quickly accomplished. Only by the co-operation of many minds for many years can a fairly authoritative body of theory be developed on this subject. The present essay is designed purely as a preliminary skirmish in the field.

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CHAPTER I

THE MEANING OF SOCIAL DEMOCRACY

"DEMOCRACY, anarchy, despotism"—such for decades, in the opinion of English statesmen, was the inevitable destiny of any people hardy enough to apply again the theories that swayed the mind of the mob in the French Revolution.

To this pessimistic doctrine there was later added a note of despair. The bitter results of the poor laws of England in the early part of the nineteenth century had led to a ready acceptance of the Malthusian law of population and the iron law of wages. Political Economy had been dubbed the "Dismal Science," and the Manchester school discouraged all projects for social reform. The climax was reached in that form of Darwinism which led Huxley to say: "Even the best of modern civilizations appears to me to exhibit a condition of mankind which neither embodies any worthy ideal nor even possesses the merit of stability."¹

In spite of this trend of scientific thought the ideal of society which posits a permanent diminution of poverty as practicable not only persists but is growing. To the dreams of a More or a Kingsley have been added the works of a Shaftsbury, a Howard and a Toynbee. Social-welfare expenses of states increase faster than debts of war. Monopoly and privilege are attacked. Regulation of industry and trade becomes more detailed. Responsibility of di-

¹ Thomas Huxley, "Government." *Nineteenth Century*, vol. xxvii, p. 862.

rectors of corporate wealth grows more definite. Police power encroaches on freedom of contract for the benefit of the worker. Housing and sanitary conditions arouse interest as never before. The very word "social" is in the air. The people at large appear to have caught an enthusiasm for social betterment which shrinks not from inquiry into the depths of human misery. In a more or less vivid way they seem to share the philanthropist's vision of "a society in which dependence, preventable disease, undue congestion of population and other such social distempers are unknown."¹

At bottom these practical efforts are but an attempt to attain for all, in every relation of life, the realization of that current educational norm "the full development of the individual's powers."

In the United States this belief in the practicability of better conditions is especially potent. The term "democracy" is now beginning to coincide in the popular view with this social ideal. The phrase "social democracy" takes the place of the single word. Lincoln's formula yields to Lowell's. "Government of, by and for the people" becomes "that form of society no matter what its political classification in which every man has a chance and knows that he has it."²

This demand is evidently based on an optimism much at variance with the pessimistic social theories of the last century.

With a somewhat similar sort of logical opposition, the actual conditions in the United States in certain respects also seem to have presented a paradox. As a matter of fact social democracy has been more nearly attained in this

¹ Edward T. Devine, *Efficiency and Relief*, p. 35.

² James Russell Lowell, *Democracy and Other Addresses*, p. 37.

country during the past century than ever before in history. For two centuries this country drew from Europe the best of her middle classes. From a population in which democracy had already made progress, doubtless in part because the crusades, pestilence and war had weakened the power of the aristocracy to exploit and had removed those least able to resist, this country continued the process of selecting men of exceptional force. With free land and the wholesale application of new discoveries in science to rich natural resources, full opportunity to develop the individual's powers to the limit set by the stage of culture reached was practically attained. True, the utilization of the opportunity has been largely economic, but if economic independence be the basis of opportunity in other ways, this was a matter of choice. The successful business man was merely the preferred social type.

But conditions have changed. There are no more Oklahomas. Great extremes exist in private wealth. The man without capital in business starts with a tremendous handicap. He accepts a salary with little prospect of great reward for initiative or great loss for apparently minor mistakes. Commercial methods have become so complicated that *caveat emptor* cannot always apply. Even the "square deal" has become a political issue. The former immediate interest of the worker in simple civic relationships has been replaced to a considerable extent by more general interests, the importance of which is beyond his grasp. The industrial system is aggravating these ills of concentrating population. The Slav goes to the mill where the Irish girl entered the family. The child in the mill becomes dwarfed in body and mind. In cities the Ghetto and "Little Italy" grow so rapidly that the individual is helpless to create an effective demand for even water, sunlight and air. Housing—the classic third want of man in the economic cate-

chism—has become a social question. Opportunity for the individual to develop is thus growing less than it was, in many directions.

If this analysis be correct the trend of events relating to social democracy in the last century has been: scientific pessimism, practical optimism, actual realization, threatened loss.

Recognition of these changes is causing the formulation of the demands of social democracy in this country¹ and a re-examination of classic theories. At the same time other changes whose bearing on the question are not so obvious are taking place. One of these is increase in knowledge of the laws, physical and social, by which humanity is limited. Another is the growing realization of this country that its internal welfare will more and more become conditioned on events in other lands.

As a result of the re-examination of the older doctrines we are now told by both socialist and conservative that in many respects the classic theories were wrong. Changes in the economic system are recommended. For this readjustment the surplus now created by the wonderfully productive American laborer is to suffice. Industrial development is expected to be so rapid that diminishing returns in agriculture are to be offset.²

¹ In this connection the following citation which has caused some comment in this country may not be amiss:—

“Die Aufgabe, die ich mir gesteckt habe, ist die: im Anschluss an die einleitenden Ausführungen, die ich bisher gemacht habe *nachzuweisen, dass alle Momente, die bis heute die Entwicklung des Sozialismus in den Vereinigten Staaten aufgehalten haben, im Begriffe sind, zu verschwinden oder in ihr Gegenteil verkehrt zu werden und dass infolgedessen der Sozialismus in der Union im nächsten Menschenalter aller Voraussicht nach zu vollster Blüte gelangen wird.*” Werner Sombart: “Studien zur Entwicklungsgeschichte des nordamerikanischen Proletariats,” in *Archiv für Sozialwissenschaft und Sozialpolitik*, vol. xxi, p. 611.

² Cf. John Bates Clark, *The Philosophy of Wealth*, pp. 100-103.

When examined, however, the evidence for these conclusions is found to rest almost altogether upon a consideration of the present internal economic conditions of this and other civilized countries. The tariff has been almost the sole topic calling for a wider basis for generalization, and the debate, even on that subject, has turned chiefly upon results expected in the immediate future. In this country, at least, the economist in his recent theorizing has thus touched but one aspect of the problem. He has failed to take a long view. In applying his ideas to the problem of social democracy he has dealt but incidentally with foreign relations. Inconveniently persistent social factors in western civilization he classes as "causes of friction," and fails to examine whether in eastern civilization these factors may not very largely determine the part oriental nations will play in the struggle of nations. For the economist a race question merely interferes with mobility of labor. Uncivilized society he disdains to notice. Organized society posited as fundamentally the same in all the nations with which he considers it worth while to deal is taken as a datum. The bearing of the greatest biological generalization—that of the action of selection—he has but cursorily examined. As in his general doctrine, the principles of biology, anthropology and sociology play little part, so in his treatment of social democracy they are neglected. If it be said that these things are not within his legitimate field there is but one reply—he should not assume, as he often does, that an economic interpretation of history can be essentially complete, nor make the problem of social democracy turn solely on economic considerations.

It is the purpose of this essay to present various other considerations that also seem to have a bearing on the question. In the first place the attempt will be made to show

that differences in the rate of increase of populations are sufficiently great to make general conclusions based on the so-called "Malthusian law of population" or on "increase in population as such" invalid. Second, it will be maintained that as a social democracy is conditioned upon the maintenance of a reasonable plane of living, it becomes necessary to consider the effect these differences in population increase may have upon the permanency of such a democracy once established. Third, assuming that certain populations have a rate of increase sufficiently low in comparison to their social income to maintain a reasonable plane of living, providing the distribution of that income were placed on a satisfactory basis, the inquiry will relate to the conditions under which such a state of affairs may remain secure from disastrous influences of other populations not thus favored. This will require an examination of the basis of social stability and its conditions, geographical and otherwise. Fourth, on the assumption that the attainment of a fairly satisfactory distribution of wealth, the maintenance of a low birth-rate and continuous attainment of a comfortable plane of living are possible in communities which fulfill the conditions of social stability—providing, of course, the intelligence of the population is developed by the educational system—the inquiry will relate to the biological conditions which affect the standard of individual ability in peoples. This will require a review of theories of degeneration, heredity and selection, and a discussion of the amount of innate differences between different peoples and between individuals within social groups. Finally, the practical bearing of these subjects on the possible attainment and maintenance of social democracy in the United States will briefly be considered.

This program, it will be seen, eliminates, among other things, discussion of the distribution of wealth, political

and administrative questions, and the place of education in a social democracy. It concentrates attention upon biological factors which may affect social democracy, and considers social, economic, geographic and other relationships only so far as these seem to affect the biological questions directly. In addition to "The Meaning of Social Democracy" already considered, the topics discussed will be as follows:

Chapter II.—Increase of Population and Social Stability.

Chapter III.—The Doctrine of Selection.

Chapter IV.—Degeneration and Improvement.

Chapter V.—The Supply of Brains.

Chapter VI.—Social Limitations on the Biological Process.

Chapter VII.—Summary and Application.

CHAPTER II

INCREASE OF POPULATION AND SOCIAL STABILITY

POPULATION INCREASE

IN its modern generalized form the Malthusian law of population has been formulated as follows: "In any given state of industry and the arts, population tends to increase faster than it is possible to raise the general plane of living."¹

Now the "plane of living," or in the usual inaccurate phrase "standard of life," differs among different peoples and at different times. In Asiatic countries it is so low that it touches in large classes the minimum of subsistence. The population of India, despite adverse influences and the uninterrupted series of famines, has increased under British rule from two hundred to three hundred millions.²

New methods of production combined with the *Pax*

¹ Franklin H. Giddings, *Elements of Sociology*, p. 306.

² Sir Robert Giffen writes: "There are now more than 300,000,000 of people for whose government we are responsible in India; and of these, 73,000,000 have been added, mainly by the ordinary growth of population, since 1871. One is almost staggered by such figures, especially when it is remembered that resources hardly grow in proportion, and that there are many millions in this vast multitude in a state of the extremest poverty." *Economic Inquiries and Studies* vol. ii, p. 230. Elsewhere he also remarks apropos of the same subject, "Others of our leading public men and economists [in addition to Mr Bagehot] are also deeply impressed by the fact though it is considered almost too delicate for public discussion." *Ibid*, p. 19.

Britannica have merely permitted the existence of a greater number of persons in the same old misery.¹

On the other hand, in various parts of the world, not only has the plane of living risen faster than the population has increased, but the birth rate itself has rapidly declined. In France from 1801 to 1810 the number of births was 32.3 per 1000; from 1811 to 1820 it was 31.6, and in the next decade 30.8. These rates were low in comparison with those of Prussia, Bavaria, Italy, Austria, Hungary and Switzerland. Nevertheless they assured an annual excess of nearly 200,000 births over deaths. As the century advanced, however, the decline already apparent became accentuated. In the decade 1850 to 1860, and again from 1860 to 1870, the rate was 26.3; in the next decennial period it was 25.4, and by 1888 it had fallen to 23.4.² The decline still continues. In England in 1876 there were 3,630 births to every 100,000 of population; in 1904 only 2,790.³ Rapid diminution in the birth rate has also appeared in Italy, Prussia, Bavaria, the Netherlands, Switzerland, Belgium, England, and other European countries.⁴ In Australia the decline has been particularly marked.⁵ For the United States a similar state of affairs is shown by the following self-explanatory table: ⁶

¹ Cf. Frank A. Fetter, *Principles of Economics*, p. 192.

² Paul Leroy-Beaulieu, *Journal of the Royal Statistical Society*, vol. liv, pp. 375, 376.

³ *Sixty-seventh Annual Report of the Registrar-General* (1904), p. cxi. For these rates "corrected" for age, sex and marital conditions see studies by Newsholme, Stevenson and Yule in *Journal of the Royal Statistical Society*, vol. lxix, pt. i.

⁴ Paul Leroy-Beaulieu, *op. cit.*

⁵ Cf. Edward A. Ross. "Western Civilization and the Birth-Rate," *American Journal of Sociology*, vol. xii, no. 5, p. 608.

⁶ U. S. Dept. of Commerce and Labor, Bureau of the Census, 1905. *Bulletin*, no. 22, p. 11.

Continental United States.	Number of children under 5 yrs. of age to 1000 females 15 to 49 yrs. of age.	Decrease in number during	
		Preceding 10 yrs.	Preceding 20 yrs.
1900	474	11	85
1890	485	74	87
1880	559	13	75
1870	572	62	54
1860	634	8 ¹	
1850	626		

By some writers such facts as these have been held to demonstrate the improbability of a too rapid increase in population in Christendom—at least in the near future. Even a stationary or declining population has been thought not impossible.² Whether such a conclusion is valid or not, the fact that the decline has coincided with a period of a rising plane of living³ would seem to show that any merely biological tendency of population to increase indefinitely is, over wide areas, actually counteracted by resisting forces.

Certainly not all societies respond alike to the stimulus of increased means of subsistence.

This fact is vital to social democracy. If all populations responded as do India and China the most rapid advances in the arts and industry would not give to great bodies of men in any society sufficient economic independence to fulfill the conditions of social democracy as the term has been defined in the opening chapter. As with the individual, an unchecked tendency to lower the standard of living creates resistance directly in proportion to the increasing mental distress, until actual starvation produces desperation

¹ Increase.

² Frank A. Fetter, *Principles of Economics*, p. 194.

³ Richmond Mayo-Smith, *Statistics and Sociology*, p. 379.

as a limit, so does this instinct of self-preservation on the part of many individuals with common interests tend to produce classes in the same ratio. When sacrifice is absolutely necessary, the stronger force the weaker to assume it. A class system or loss of civilization are thus the only alternatives when population increases too fast.

If these contentions be valid, it follows that some more or less definite rate of population increase is tacitly assumed by those who contend that increased control over nature will keep sufficiently ahead of population. Their formula might just as well read, "with a given rate of increase in population the plane of living will tend to rise with progress in industry and the arts." As a matter of fact there are, in any formula, two variables; (1) rate of increase in population and (2) rate of progress in the arts. Of both of these the plane of living is a function. The plane of living itself, of course, reacts in turn on both of these variables. A general formula, therefore, means little without examination of particular conditions. On the basis of the few particular conditions already noted, however, it is possible to assert that in some countries at present the rate of population increase precludes the possibility of a social democracy, while in others certain forces have reduced the rate to a point where rapid progress in arts and industry, together with favorable natural resources, permit a maintenance of the necessary level in the plane of living.

The foregoing argument rests partly upon the assertion that the instinct of self-preservation produces classes whenever a material reduction in the plane of living is threatened. Apparently but one form of society has existed in which this was not so. That appeared, if ethnologists are right, in the tribal state. In some tribes all men are said to have had equal opportunity to develop their abilities as fully as the state of culture allowed; then, if one suffered,

all suffered; of classes produced by fear of want, at least, there were none.¹ Such conditions, however, cannot obtain in a society which has passed out of the tribal state. Numbers with a resulting division of labor, and private property with resulting inheritance, prevent. The first by producing comparative isolation of large bodies of men in the same political group renders impossible that sense of social solidarity by which, in small groups, society is sometimes able to subordinate the individual absolutely. The second furnishes the means by which the stronger entrench themselves and their class. Neither Greek democracies nor democratic cities of the Middle Ages were exceptions to this rule.² Slavery precludes the first from classification under social democracy as defined in this essay, and the boasted industrial independence of the free cities was shared only by those who benefited by the jealous guardianship of monopoly in craft mysteries.

It seems within reason to hold, therefore, as a first condition of social democracy, a population reaction to the stimulus of increased means of subsistence such that a plane of living may be maintained sufficiently high to permit a reasonable degree of economic independence to all normally constituted citizens. More briefly, democracy requires a rate of population increase less rapid than the rise in the standard of living. As already noted, some societies meet this condition, some do not.

CONDITIONS OF STABILITY

In a future chapter will be discussed some of the social

¹ Cf. Herbert Spencer, *Principles of Sociology* (Appleton & Co., 1900), vol. iii. p. 575.

² Cf. Francois Pierre G. Guizot, *Histoire de la Civilisation en Europe* (1873) pp. 217-218. (Hazlitt's English Translation, Appleton & Co., 1850, vol. i. pp. 169-170.)

facts that limit and control the effect of the differences just considered, in the rates at which populations increase. Whatever controlling influence social relations may be found to exert, however, nothing can obscure the fact that these differences determine to a great extent the ability of different populations to maintain their own forms of social organization and attain their own social ideals. No fact in history stands out more plainly than the danger incurred by any nation which fails to increase its population with sufficient rapidity to meet other peoples on an equal footing and repel attack. As far back as the anthropologist can go he finds the wandering to and fro of the peoples of the earth accompanied by the subjection of one social group by another. So impressed with the importance of this fact was Gumpłowicz that he thought the whole social process could be interpreted in terms of group conflicts. In his famous work, *Der Rassenkampf*, he sums the situation thus: "So geht es mit Grazie fort—Rasse gegen Rasse, Kampf um Herrschaft—doch stehen sich immer neue Rassen entgegen von denen jede ein tausendfaches ethnisches amalgam ist."¹ Political theorists have often taken this aspect of history as the basis of their systems. Machiavelli and Hobbes both held that conflict was the state of nature. The mercantile theory in economics reflected the same view. The tariff systems of the modern world are but an echo of the same refrain.

The immediate circumstances to which may be traced the origin of particular conflicts are, of course, of infinite diversity. Nevertheless it can hardly be gainsaid that the numerical superiority of any people, considered in itself, is a menace to less numerous groups. In so far, then, as differences in the response of different peoples to increased

¹ *Loc. cit.*, p. 277.

means of subsistence affect numerical superiority, these differences in response become of importance in group conflicts. Such differences, unless their effects be offset by other conditions, may evidently determine whether a plane of living required by social democracy can be maintained. The "heavier battalions" may be wanting at a critical moment.

But history is not a mere record of war. In various times there has been attained in various places a sufficient period of stability for the development of civilization. In such periods have occurred those advances in arts and sciences, in the exploitation of natural resources, and in that perfection of the social organization of peoples upon which rests the highest achievement of the modern world—the advance in opportunity for the development of the entire personality of the individual. Brief review, therefore, of the main conditions which have given at least temporary security to social groups in the past may not be wholly amiss in an inquiry into the conditions which must be met by a social democracy.

An indispensable circumstance has been, of course, the occupation of a region rich in natural resources. In addition, the possession of one or more of the following conditions appears to have been necessary:

1. Relatively high culture.
2. Relatively great numbers.
3. An easily defended situation.

The rise of the early civilizations of Peru, Mexico, Egypt, Chaldea, India and China may perhaps be accounted for only because their populations were situated in fertile, hot, dry climates.¹ Their stability, however, seems to have

¹ Cf. Henry Thomas Buckle, *History of Civilization in England*, (Longmans, Green & Co., London, 1873), vol. i, pp. 45-50. Herbert Spencer, *Principles of Sociology*, vol. i, pp. 21-3.

depended on possession of one or more of the conditions just mentioned. If Rome thanked the gods for snow-capped Alpine barriers against the northern foe, Egypt had no less reason to thank the sun-god Re for scorching desert wastes upon her flanks. In struggles with savage foes the Incas found advantage in the Andes; the Aztecs in the waters of their inland lake. India and China have held their own because of overwhelming numbers—their conquerors were absorbed. In Mesopotamia, where natural barriers failed, the ancient cities seem to have arisen or declined according to the temporary advantages their culture gave them or as a resulting greater population proved their greater strength. With them, as later with the Greeks, new inventions, improvements in military tactics or in weapons, better political and social organization, a more educated body of citizens or other advantage properly classed as cultural, proved decisive for long periods.

How large an area may prove to be an easily defensible situation depends, of course, upon the control over nature attained by the inhabitants, and upon their social organization. For rude Teutonic tribes the morasses and forests of Northern Germany were sufficient barriers to insure a social coherence within small groups so persistent as to make subsequent fusion a difficult task. For civilized nations to-day, high mountain ranges, deserts or oceans form the chief lines of defense. In two ways has advancing culture caused this change. By increasing production it has rendered possible the maintenance of larger populations; by perfecting means of communication, both in space and in time, it has permitted co-operation over larger territory. As conflicts arose a feeling of social solidarity was possible over wider areas. Former barriers were overcome, and as a result "*der Ewige Kampf verminderte die Zahl der*

Rassen und schaffte den Siegenden immer grössere Verbreitung." ¹

Certain it is that European nations have more and more conformed their political boundaries to those geographic barriers which make the included areas easily defensible.² Their stability has, therefore, come to depend upon their relative numbers and their culture—including in the latter term their power to produce wealth.

What the result of these conditions is to be no man can tell. At the present time the conflict between the larger groups is taking the form of a world struggle for markets and the development of sparsely settled regions. The strain that might otherwise exist in the attempt of growing populations to establish an equilibrium with other populations increasing with lesser rapidity is to a large extent relieved. The field for settlement seems almost unlimited. South America alone possesses 7,500,000 square miles, of which a large part lies within the temperate zone, with an equable and invigorating climate. Further north in the tropics are enormous expanses of high table lands stretching from the Atlantic to the foot-hills of the Andes. Lifted far above the tropical heats vast forests grow untouched from a soil of incredible richness. Hundreds of millions of men can find sustenance in this great territory. As yet the population is less than six to the square mile.³ Africa is likewise almost untouched. Such conditions have produced a suspension of the more brutal phases of the group conflict. Nevertheless this suspension may prove of far

¹ Ludwig Gumplowicz, *Der Rassenkampf* (1883), p. 277.

² Cf. John W. Burgess, *Political Science and Comparative Constitutional Law*, vol. i, pp. 21-29 and 40-44.

³ Secretary Root's speech before the Trans-Mississippi Commercial Congress, in *New York Tribune*, Nov. 21, 1906, p. 1, col. 1.

shorter duration than is anticipated. One need not go further back than the civil war to find a widely spread opinion that the domains of the United States were "practically inexhaustible." To-day this nation joins the European rush for foreign markets. What assurance is there that when diminishing returns are yielded from the foreign field the group struggle for the equalization of conditions among the peoples of the earth will not be resumed with all its rigor? What then will be the result of competition among peoples of different planes of living and different rates of population increase? Can the ideal of social democracy be maintained under such conditions? Evidently not, unless the plane of living throughout the world is raised to the minimum requisite for social democracy, or unless countries of a high plane can protect themselves against those of a lower plane, and thus have opportunity to work out the ideals of social democracy within their own limits.

Whichever of these alternatives is ultimately offered to such nations as attempt to work out a social democracy there are two facts which will more and more have to be taken into account. The first is that the largest possible areas of easy defense are approaching their final outlines. The manifest destiny idea is applicable to more regions than the United States. The second is that imitation of the means of production spreads much more rapidly than imitation of social organization or social custom. Science is becoming international. With the use of movable type has come the means of a quick transfer of knowledge. Only by a failure of other peoples to grasp the importance of conscious imitation and adaptation can improved agricultural, industrial and commercial methods remain a monopoly of any nation. By means of trade journals the former work of centuries can now be done in a week. Records of invention are avail-

able everywhere. Though patent laws may produce an artificial monopoly for a time, the use of the patented article is usually open to all on equal terms.

Such rapid imitation of social customs, however, is impossible. More people have to be reached, a greater resistance has to be overcome. A comparatively few men at the top in Japan have placed her navy and army in fighting trim, reorganized her commercial relations with other peoples, changed her financial and political conditions. The social customs of the people at large have not altered so rapidly. The influence of ancestor worship on the size of the family has not become less effective than formerly. Western influence has not greatly affected the age at marriage of the people at large. Still less has change appeared in Chinese customs affecting the birth rate. As to India the statistics already quoted from Giffen prove the point.

There can be but one result of these conditions. Nations which quickly adopt modern methods of production but retain the social customs which favor a low plane of living and a high birth rate will increase in population much more rapidly than they have increased in the past. The tendency will be for them to outstrip their high-plane-of-living competitors in rate of population increase. It may indeed be that social customs affecting the birth rate will change in low-plane-of-living nations before the group conflict is eventually resumed in its sternest form. Whether so or not, however, it is evident from the foregoing argument that those groups which possess easily defended situations will fulfill at least one condition which under no circumstances can be harmful, and under some circumstances may prove to be one of the factors without which social stability, and therefore social democracy, is impossible.

From the considerations presented in this chapter, then, it is perhaps reasonable to assert that permanent mainte-

nance of a social democracy requires a rate of population increase less rapid than the rise in the standard of living; that some communities have fulfilled this condition and some have not; that the advanced culture of the high-standard nations may not in itself be a sufficient protection to them because of the increasing rapidity with which methods of production are imitated, and because of the relative persistence of customs affecting the birth rates in low-standard nations; and that those groups which possess easily defended situations have an advantage which may prove indispensable to the working out of their own ideals if the group conflict discernible in all history, but at present somewhat suspended, shall eventually be resumed.

CHAPTER III

THE DOCTRINE OF SELECTION

"THE ruin of Spain," says Lecky, "may be chiefly traced to the expulsion or extirpation of her Moorish, Jewish and heretical subjects."¹ The institution of religious celibacy has been charged with brutalizing Europe by causing the gentlest natures of the Middle Ages to vanish in monastery and convent without reproduction of their kind.² Caesar's legions were mainly raised in Gaul, it is said, because the martial type no longer bred in Rome. Even the Roman general disappeared soon after. Trajan was Spanish, Aurelian an Illyrian peasant, Diocletian a Dalmatian slave, Constantius Chlorus a Dardanian noble, and Constantine the Great the son of a Dacian woman.³ In the Senate, provincials replaced a vanished stock. "Auch aus den unterworfenen Nationen zog Rom das edelste Blut an sich, um es nutzlos zu verspritzen."⁴ Recruits of '91 in France and Germany, begotten during the Franco-Prussian war when the strongest were in the field, were physically far below the normal.⁵

¹ *History of England in the Eighteenth Century*, vol. i, p. 188.

² Francis Galton, *Hereditary Genius*, (Macmillan & Co. 1869) pp. 357-358.

³ Brooks Adams, *Law of Civilization and Decay*, p. 29.

⁴ Otto Seeck, *Geschichte des Untergangs der antiken Welt*, vol. i p. 291.

⁵ G. Vacher de Lapouge, *Les Sélections Sociales*, p. 235. Cf. also Seeck, *op. cit.*, vol. i, p. 281; and *Anhang*, vol. i, pp. 546-7.

It were an easy task to multiply such statements by the score. They merely show the social importance attributed by certain writers of repute to a process by which individuals possessing one set of hereditary characteristics are substituted for other individuals of supposedly different hereditary traits—a process which for want of a better term may be called selection.

The validity of attributing vast social changes to this influence is a matter of dispute. To it Seeck, already quoted, ascribes the downfall of the ancient world. On the other hand, those who are chiefly impressed with the control which increased knowledge gives over nature,¹ or who see in the development and decay of institutions the rise and fall of national welfare, are inclined to minimize the importance of this process. The following chapters will not present an argument on either side of the question. The aim will be to explain and to illustrate the nature of the evidence upon which may rest the claim that selection is at least one of the processes that must be understood, and if possible utilized, by a social democracy.

No fact is plainer than that different sub-groups and families increase their representation in a social group from generation to generation at different rates. Many stocks die out completely, others increase to an indefinite extent. That this has a social result purely because parental influence, irrespective of heredity, affects the adaptation of the child to its environment needs no emphasis. White children captured by Indians have learned the Indian's mode of life. Children educated as Roman Catholics retain the faith. The more rapid increase of sections of a population which sustain or oppose particular social institutions may thus by the simple fact of a higher birth rate cause a substi-

¹ Cf. Lester F. Ward, *Applied Sociology*.

tution of stocks, entailing radical social results. The importance of this process in any society is apparent. Its influence, however, is measurable with comparative ease. The way in which it may be modified by the educational system is also susceptible of fairly accurate statistical treatment. But with this pseudo-social heredity and selection this essay has to do in only an incidental way. The inquiry is in regard to the effect of the substitution of one set of physically transmitted traits for another set of traits similarly transmitted.

The first task, then, will be to obtain a clear idea of what the process of selection is from a biological point of view, to study its relation to so-called laws of heredity, and finally to attempt to formulate in a conservative way the extent to which the principle is certainly of social importance.

Before proceeding to this task, however, it may be well to indicate the relation of this section of the inquiry to the main problem—the conditions necessary for maintaining a social democracy. The relation is a simple one. Democracy as a form of government requires more brains per capita than any other form. A social democracy requires a still greater supply—a supply, withal, in which there exists the basis not merely for intelligence, but for virtues founded upon temperamental qualities. Self-control is needed as well as clear vision. If good ground be found for the oft-made assertion that the amount of these qualities in a people is largely dependent upon the direction taken by selection no other justification is needed for the inclusion of this topic in an inquiry relating to the conditions for the maintenance of a social democracy. Especially is this true when it is remembered that the high plane of living necessary in an advanced society so organized can be maintained only if the grade of ability and self-control in the population be kept at a high level.

What, then, is meant by the term selection in the biological sense, and what may be said as to its scope and social implications.

The term selection is of course derived from its use in the greatest book of the last century—Darwin's *Origin of Species*. For the formulation of the conception the Malthusian law of population in its original form was responsible. If, as Malthus held of men, all organisms tend to propagate in geometrical ratio while food supply increases in arithmetical, then some of the offspring, Darwin reasoned, would fail to obtain sufficient sustenance. Only the strongest, or at least only those better adapted to meet the conditions necessary to obtain sustenance, would survive. On the supposition that the characteristics giving the advantage were hereditary, the offspring of the favored individuals would of course be likewise at an advantage over their fellows. Finally, as the number of favored ones increased, those at a disadvantage would be eliminated in the struggle for existence. Thus a change in type might be induced sufficient to account for differences between species. Such in simple form was the doctrine of natural selection.

Applied to man the doctrine of selection in Darwin's sense evidently implies two fundamental points respecting inherited characters: (1) individuals resemble their ancestors more than they do the general population, (2) descendants may differ in some respects from their ancestors and from each other. Now, theories dealing with transmissible qualitative or quantitative resemblances of descendants to parents are theories of heredity and theories dealing with subsequently transmissible quantitative or qualitative differences between ancestors and descendants or between descendants of the same generation are theories of variation. It is evident, then, that theories of heredity deal not

only with the way in which characteristics of long standing in a family or species reappear, but also with the way in which parental variations reappear in subsequent generations. This follows from the fact that in subsequent generations the characteristics which in the parents were variations may become, in the children, resemblances to the parents. With respect to the doctrine of selection, therefore, interest in theories of heredity lies in the extent to which the characteristics of near or remote ancestors reappear in offspring, and whether the reappearance is partial or complete. Upon the relative importance of near and remote ancestors depends the number of generations during which selection must operate, if the Darwinian theory is correct, in order to "fix" (i. e., uniformly reproduce) a characteristic of an ancestor. Upon the completeness of the reappearance of the characteristic depends the completeness of the result. Again with respect to the doctrine of selection, interest in variation lies in the amount of variation and its character. Upon the amount of variation depends the amount of change selection may produce in offspring, and upon its character depends the value of the change.

At present there is no accepted theory of heredity, nor is there likely to be until Neo-Darwinian, Mutationist, Mendelian and Biometrician find a basis for agreement as to the nature of variation. Examination of various theories, however, will serve to show that none of them denies the possibility of very rapid changes as a result of selection.

The most definitely formulated theory, perhaps, is that expressed in Galton's so-called "law of ancestral heredity." This may be stated as follows: the two parents contribute together, on the average, one-half, or 0.5, of the total heritage of the offspring; the four grandparents, one-quarter, or 0.5²; the eight great-grandparents, one-

eighth, or 0.5^8 , and so on.¹ Thus the sum of the ancestral contributions is expressed by the series $[(0.5) + (0.5)^2 + (0.5)^3 \dots]$, which being equal to 1, accounts for the whole heritage.

From Galton's writings it would appear that he sometimes thought of this generalization as applicable to individuals,² and sometimes regarded it as a purely statistical law applicable only to averages.³ Darbeshire has pointed out that there is a general belief in the proposition that the amount of the contribution of ancestors to posterity is large in proportion to the nearness of the progenitor. Concerning this he remarks, "it is a very good type of biological law; it has the advantage of simplicity; it is also, except in a few cases, untrue."⁴ Without reference to its validity, Darbeshire proposes to call this idea the "law of diminishing individual contribution" in contra-distinction to Galton's law. In his estimation, what Galton's law really states is, how on the average the characteristics of a large group of ancestors will reappear in subsequent generations taken as a whole. From the knowledge that the parents of a given generation of cats are tabbies, and that half the grandparents of the generation are tabbies, a quarter white and a quarter black, Galton's law gives the proportions in which these three kinds of cats will occur in subsequent generations. But whether the law be taken as statistical

¹ Francis Galton, *Natural Inheritance*, p. 136.

² *Ibid.*

³ *Proceedings of the Royal Society of London*, vol. 61, p. 402. Here he says, "neglect of individual prepotencies is justified in a law that avowedly relates to average results; they must of course be taken into account when applying the law to individual cases."

⁴ On the Difference between Physiological and Statistical Laws of Heredity." *Memoirs and Proceedings of the Manchester Literary and Philosophical Society*, vol. 1, part iii, no. 11, p. 9.

only, or as applicable to individuals as well, the impossibility of increasing or diminishing the representation of any particular ancestral characteristic by its action alone is apparent. According to it, on a basis of random mating and equal fertility, the characteristics of all members of the population have equal opportunity for representation in future generations and according to the law of chance will be so represented. Whether the traits of particular ancestors blend with corresponding traits of other ancestors and reappear in reciprocally modified forms, or whether certain descendants follow one ancestor and others another, nevertheless in the long run all ancestral traits will be reproduced.

It is evident, then, that Galton's law does not explain change in the hereditary characteristics of groups from generation to generation. Now the process of selection operates, as has been noted, whenever a group having hereditary characteristics differing from those of the general population leaves a disproportionate number of offspring. The important question then arises as to the rapidity with which change, in view of Galton's law, can be produced by this process, and whether such a change will be permanent if the process of selection ceases. It is obvious from Galton's law that a characteristic becomes more evident in offspring the more fully it is represented in the parents, grandparents and more remote ancestors. Now in any selected group of persons certain characteristics are more fully represented than in the general population. Some of the ancestors of the members of the selected group, however, have descendants in the present general population outside the selected group. The characteristics of these ancestors, therefore, were at least intermediate between those of the selected group and those of the present general population. Inasmuch as these general-population characteristics of the

ancestors of the selected group, according to Galton's law, will to some extent reappear in the offspring of the selected group, these offspring must of course be less pure than the selected group.¹ To preserve the purity of the selected group, continued selection is necessary. With respect to the rapidity of the action of selection, Pearson, taking into account the regression just considered, calculated that if grandparents, as well as parents, have been selected in respect to the same characteristics the offspring will exhibit the characteristics in .8049 of their full strength; if the great-grandparents also, then in .9027 of their strength; and if still three other generations be selected, then in .9879 of their full strength. Thus a race with six generations of selections, according to Pearson, will breed within 1.2 per cent of truth.² If, as some biologists think, this process of selection tends to produce prepotency in the characteristic selected, the characteristic against which selection proceeds might be entirely eliminated.

If these deductions of Pearson's be correct it appears that, on the basis of Galton's law, a rapid change in hereditary characteristics may be expected through rigid selection. The law itself does not account for change.

But the so-called statistical laws of heredity advanced by Galton and Pearson have not passed unchallenged. In 1900 certain facts of inheritance were independently noted

¹ This does not support the theory of indefinite regression through panmixia because regression of this sort could not, on Galton's supposition, proceed further than the mean of the general population.

² "Mathematical Contributions to the Theory of Evolution," *Proceedings of the Royal Society of London*, vol. lxii, no. 386 (1898) pp. 309-402. Cf. *Biometrika*, vol. ii, pp. 227-228, however, where he holds that, although two or three generations of selection would produce a stock of upwards of 90% of the selected characteristic no amount of selection unless of a greater than the desired amount of characteristic would give more than 92% of it.

by the biologists de Vries,¹ Correns,² and Tschermak,³ which confirmed the long unrecognized views put forward by Gregor Mendel, Abbot of Brünn, as early as 1866.⁴ Mendel's observations were made upon seven different characteristics in peas, the consideration of one of which, seed-color, will sufficiently illustrate his results. The colors of seeds used in the experiment were yellow and green. When crossed the hybrid always produced yellow seeds. Yellow-seededness was therefore called a dominant characteristic and greenness of seed a recessive characteristic. When one hundred (yellow) hybrids were allowed to breed by self-propagation, twenty-five of the offspring were green-seeded and seventy-five yellow-seeded. The greens bred true (*i. e.*, when self-fertilized always produced greens). Twenty-five of the yellows also bred true, but fifty of the yellows (self-fertilized) produced offspring twenty-five per cent of which were green and seventy-five per cent yellow *i. e.*, the fifty were true hybrids—able to reproduce the characteristics of both ancestors. In Mendel's language the first set of 100 hybrids really consisted of 25 recessives (pure greens), 50 hybrids (yellow), and twenty-five dominants (yellow). It was found that for generation after generation the hybrids gave this same proportion of recessives, hybrids and dominants. This process, now known as segregation, consists in the dispatch by the hybrids, at

¹ "Sur la loi de disjonction des hybrides," in *Compte Rendu de l'Académie de Paris*, vol. cxxx (1900), pp. 835-847.

² "G. Mendel's Regeln über das Verhalten der Nachkommenschaft der Rassenbastarde," *Berichte der Deutschen botanischen Gesellschaft*, vol. xviii (1900), pp. 158-168.

³ "Ueber künstliche Kreuzung bei *Pisum sativum*," in *Zeitschrift für das landwirthschaftliche Versuchswesen in Oesterreich*, vol. iii (1901), pp. 465-555.

⁴ "Versuche über Pflanzenthybriden," in *Verhandlungsschriften des naturforschenden Vereins in Brünn*, vol. iv (1866), pp. 3-47.

each generation, of offspring into the dominant and recessive ranks—from which, so long as like mates with like, there is no returning.¹

Castle, whose experiments have been chiefly on guinea-pigs and mice, worked out the relation of the selective process to the Mendelian law as follows. On the hypothesis of random mating and equal fertility of all individuals, and starting with an equal number of males and females, he finds that by rejecting all recessives as they appear the percentage of individuals showing dominant characteristics would be 100 per cent in the first generation, 75 in the second, 88.8 in the third, 93.7 in the fourth, 96 in the fifth, 97.2 in the sixth, 98 in the seventh, 98.4 in the eighth.² Selection for four generations would thus produce a fairly pure race.

To many biologists the Mendelian law and the statistical results of Galton and Pearson have seemed altogether inconsistent. If Galton's law be taken as valid for individual cases this may prove to be the case. Galton's and Pearson's results, however, are derived from the consideration of large numbers of cases and by methods of the average, while Mendelian generalizations are obtained by experiment involving isolation in a way that seldom occurs in nature. Moreover, as yet, alternative inheritance according to the Mendelian formula has been proven for only a few characteristics in a comparatively few animals and plants. The present trend of biological thought is that both the statistical and the Mendelian results will be found to harmonize.³

¹ Cf. A. D. Darbishire, *Memoirs and Proceedings of the Manchester Literary and Philosophical Society*, vol. xlviii, part iii, no. 24, pp. 3-4.

² W. E. Castle, *Proceedings of the American Academy of Arts and Sciences*, vol. xxxix, no 8., p. 235.

³ Cf. Karl Pearson. "On a generalized theory of alternative In-

Whatever be the truth in these theories, however, the preceding account will have served to show that their advocates have discovered nothing to minimize the importance of Darwin's doctrine of selection. Whether inheritance is blended or alternative, any characteristic will reappear generation after generation unless selection occurs. With proper selection any characteristic which varies may be removed or fixed. In the case of recessive characteristics, however, it is apparent that the dominants would have to be removed entirely from the race to get a pure strain. Nevertheless, even in this case, selection for recessive characteristics would always increase the chance of recessive mating with recessive, and thus increase the number of individuals possessing the desired characteristic.

So much then for the relation of selection to the statistical and Mendelian laws of heredity.

But the supposed validity of the Darwinian theory of selection has itself been attacked. The importance which Darwin ascribed to a continuous selection of individuals exhibiting slight variations from the parent type in the final production of a group regularly transmitting the new characteristic has been challenged. It is maintained that in all probability a definite range of fluctuating variation is one of the fixed characteristics of a species.¹ This would mean, in the language of Prof. Morgan, that "a new race of men cannot be produced by selection of those individuals that show fluctuating variations."²

The mutationists in advancing this theory do not, how-

heritance with special reference to Mendel's Laws," in *Philosophical Transactions of the Royal Society of London*, vol. 203 A (1904) pp. 73-4.

ever, deny the power of selection within the limits of variation which they posit. Their contention is, for instance, in the case of the race horse, that increasing speed is gained with more and more intensive breeding, but that the increase approaches a maximum which cannot be passed except by a sudden shift in the limits of variation of the species—a shift which selection, in their opinion, does not necessarily tend to facilitate.

As far as man is concerned, however, the mutation theory in its present state leaves things much as they were before. If substantiated, the hypothesis, of course, makes tenable the supposition that a new species might suddenly be produced, which by reason of characteristics very different from those of existing types could find subsistence without mixing or competing with other species. But man is too complex for such a result. The extremes of existing differences between individuals are already so great and occur in so many characteristics without disturbing the interfertility of all races of men that single mutations—admittedly small when compared with these differences—cannot materially alter conditions of selection. Societies which fail to show ability to meet competition with others are being eliminated or assimilated too fast for mutations to create non-competing groups. Practically, then, for man mutations would seem equivalent merely to extreme variations or, possibly a short series of progressively selected variations. As long as the causes of variation or, if you will, mutations, are unknown, greater “spontaneous” changes cannot be predicted in one rather than ^{any} other society. The case is reduced, as before, to the ^{empirical} fact that selection may make one existing type ^{more} numerous than another.

From the data presented in regard to them it has appeared that neither the so-called statistical laws of heredity nor the Mendelian laws minimize the importance of selection in the least. On the contrary, whether they can be reconciled or whether each is true in respect of certain traits, both of these generalizations show the phenomena of heredity to be such that, in the opinion of competent investigators, selection may with comparative rapidity determine which of two different innate traits shall be perpetuated. Nor does the mutation theory militate against this fact. It has therefore been proven that selection is a force capable of producing vast social changes if, as a matter of fact, the innate traits on which it works are of as much importance in social life as many writers claim. It has been shown also that, if the differences in innate traits are thus important, selection is a fact which must be reckoned with by a social democracy. For in the complicated social relations of modern days a social democracy must have citizens who are capable of meeting complex conditions. Selection seems a potent influence in determining whether the level of citizenship required shall be maintained.

In Chapter V under the title, "The Supply of Brains," data will be presented respecting the importance of innate traits, and in regard to the general problem of variation upon which, as already noted, depends the amount of change and the character of the change that selection may accomplish.

Prior to consideration of these topics, however, the claim that cessation of selection necessarily produces degeneration will be considered, together with the modes or ways in which selection may give evidence of itself in human society. The latter subject is but a continuation of the theory of selection presented in this chapter. The former must be considered because, if the claim just referred to is true,

there may be ground for supposing that the relatively low rate of population increase required by a social democracy will cause the process of elimination by selection to cease, and thereby produce biological degeneration. These two topics will therefore form the subject of the next chapter.

CHAPTER IV

DEGENERATION AND IMPROVEMENT

FROM the considerations presented in the last chapter it is evident that selection may be progressive or regressive. Variations usually looked upon as desirable may be the ones preserved or the reverse. But before considering further the effects which selection may produce it will be of advantage to clear away the notion that biological degeneration necessarily results from a cessation of the selective process. At the present time there is a popular tendency to look upon a simple decline in the birth rate as an evidence of degeneration. The vogue of the term "race suicide" in this country reflects this belief. The strenuous efforts now being made in France to increase population are attributed to fear of such degeneration.¹ Great Britain, indeed, seems more concerned over her unemployed than over any supposed degeneracy in the population, and France, perhaps, fears Germany's growing power rather than a change for the worse in the quality of her citizens. Nevertheless, it was solemnly asserted in the name of biology not many years ago that unless man multiplies beyond the limits for which the average conditions of life comfortably provide, a process of steady degeneration will result.² The idea in its crude form is still cur-

¹ "How Paris provides for the housing of large families," in *Review of Reviews*, vol. xxxiii, p. 312 *et seq.*

² Benjamin Kidd, *Social Evolution*, p. 37.

rent. It must be considered here, therefore, lest objection be made that if democracy be dependent on a comparatively low birth rate biological progress is impossible.

Mr. Kidd's view, which is essentially that with a rapid decline in birth rates degeneration must follow, was advanced on the basis of Weismann's theory of panmixia.¹ In both the application and in the original theory, however, invalid assumptions were made. In brief form Weismann's idea as put forth in 1886 was this:² accepting the Darwinian doctrine that progressive adaptation of organisms to their environment results from a life and death struggle, in which the ill-adapted succumb, Weismann maintained that the cessation of this selection would not only arrest adaptation, but would cause retrogression. Let all individuals have equal opportunity to have offspring who in turn interbreed (panmixia); then, as breeders who cease to select their best stock for the stud find the strain retrograding, so must mankind degenerate. The implication is that this regression must be without limit. Some time after its first promulgation Mr. Herbert Spencer challenged this view, because it implied that variations of offspring from the parental type in the direction of degeneration habitually exceed those in the opposite direction—in degree or in number or in both.³ Mr. Spencer complained that Weismann never met the argument. It is interesting, therefore, to find Weismann saying in 1902: "Es muss also noch etwas anders mit im Spiele sein welches bewirkt,

¹ Cf. Edward A. Ross, *Foundations of Sociology*, pp. 333-4.

² August Weismann, *Retrogressive Development in Nature* (1886), translated in *Essays upon Heredity*, edited by Edward B. Poulton and Arthur E. Shipley (Oxford, 1892), vol. ii, pp. 1-30. Cf. Herbert Spencer, "On the Inadequacy of Natural Selection," *Principles of Biology* (Appleton & Co., 1900), vol. i, Appendix B, p. 602 *et seq.*

³ *Contemporary Review*, vol. lxvi, p. 605.

dass bei einem nutzlos gewordenen Organ die Minusvariationen die Plusvariationen stets und dauernd überwiegen, und dieses etwas kann nirgends anders liegen als da, wo die Wurzel aller erblichen Variationen liegt—im Keimplasma.”¹ Of what may be discovered “im Keimplasma” he remarks, however, “wohl können wir von dem feinsten Bau des Keimplasmas direkt Nichts erfahren”²—a practical acknowledgment that the original doctrine is purely speculative.³ It is perhaps significant that one of the latest authoritative general treatises on biology⁴ does not even refer to “panmixia,” though reviewing Weismann’s more valid ideas at length.

Rejection of Weismann’s theory of panmixia, however, does not imply denial of the possibility of a certain amount of regression if selection ceases. The fact that a breeder sometimes fails to obtain a stock that “breeds true” after many selections cannot be overlooked.⁵ Pearson maintains that the reversion thus observed has what he terms a focus of regression. Basing his contention on the theory that variations occur according to the law of chance, he says that in man “both as to mean and variation the population with suspended natural selection tends to rapidly regress on the general population from which it was selected.”⁶

¹ *Vorträge über Descendenztheorie* (Jena, 1902), vol. ii, p. 131.

² *Ibid.*, p. 132.

³ The further elaboration of Weismann’s theory on this point is open to the criticism that either it requires sexual selection, if not natural selection, for its efficiency—an assumption contrary to hypothesis—or it is still open to a modified form of Spencer’s original contention.

⁴ Oscar Hertwig (Direktor d. anatomisch-biologischen Instituts der Universität Berlin), *Allgemeine Biologie* (Gustav Fischer, Jena, 1906).

⁵ Though this is sometimes the case, the general opinion of breeders seems to be that a character can be “fixed” by repeated selection. (Cf. Karl Pearson, *Philosophical Transactions of the Royal Society of London*, vol. 187 A, p. 314.

⁶ *Ibid.*, p. 309.

Such statistics as he has been able to gather of sensibly stable populations point to "a focus of regression close to the mean of the current population."¹

Dr. G. Archdall Reid, a pronounced Neo-Darwinian, though rejecting Weismann's explanation, still contends that cessation of selection involves degeneration. Contrary to the usual theory of biologists that in bi-parental reproduction is to be found a cause of progressive variation, he maintains that its chief function is to produce regressive variation—a tendency only offset by selection. It remains to be seen whether biologists will admit the validity of this wholly novel idea. As though not entirely convinced of his contention that "ancient characters are prepotent over less ancient,"² Reid himself admits the possible validity for men of Galton's law.³

It is apparent from these considerations that biology has come to no definite conclusion respecting the limits of regression. Certainly no tendency to indefinite degeneration has been proven. The question is inseparable from the hotly debated problem of the causes of variation.

Were the theory of necessary degeneration tenable, however, the application that man must multiply beyond the means of subsistence to avoid such degeneration does not follow. This contention would imply that selection can occur only through death by starvation. That such is not the fact will become evident in the development of the next topic.

¹ Cf. Karl Pearson, *Philosophical Transactions of the Royal Society of London*, vol. 187 A, p. 308. Pearson looks upon "atavism" merely as mathematically improbable variations. *Ibid.*, p. 314.

² *Principles of Heredity*, p. 87, note.

³ *Ibid.*, p. 96.

MODES OF SELECTION

According to the usage given the term selection in this essay, any influence which, without causing the appearance of new variations, tends to produce a change in the hereditary qualities of a population from generation to generation, is a selective influence. The term, therefore, includes more than natural selection in the Darwinian sense. Darwin, as has been noted, applied the term natural selection to the process by which the elimination of a certain strain was produced by a death-rate greater than the reproductive rate of that strain. It is evident, however, that a change in the amount of an hereditary characteristic in a population can be produced by differing birth-rates in differing stocks, even though there is no tendency whatever for any stock to be eliminated. Such a selection is no less natural than the other form, but for clearness it requires a separate name. Genetic or reproductive selection is the usual designation.

Sexual selection, upon which Darwin laid particular emphasis in his *Descent of Man*, is a phenomenon involving genetic selection. The term sexual selection Darwin applied to the process in which individuals of either sex in choosing mates show a distinct preference for particular types, and thereby exclude those of other types from reproducing their kind. Such a process evidently affects birth rates of various classes differently. But, since it also tends to make the rate of some types zero, it could be looked upon with equal propriety as a mode of natural selection—a process by which certain individuals are eliminated without leaving progeny. Sexual selection is therefore merely one process by which natural or reproductive selection is accomplished. Migration is another influence which also may cause changes in the amount of any

hereditary trait present in a population. From the point of view of a particular sub-group, of course, its indirect result may be very great. For example, the introduction of the negro into the Southern States has undoubtedly tended to increase enormously the total amount of negro blood extant. Only, however, as migration thus indirectly affects death or birth rates is it in strictness to be classed as a selective agency. It does not directly increase or decrease the amount of any hereditary trait in existence at a given time. Sexual selection and migration are therefore mere modes of selection which can be reduced to lower terms. It may be shown, likewise, that all other modes resolve themselves into natural and reproductive selection. All perpetuation of hereditary traits is registered in birth rates and all elimination in death rates. Changes in these rates as they affect particular classes of hereditary types are selective.

Classified, therefore, according to the nature of the influence producing such changes, the modes of selection may evidently be as infinite in number as are those influences. Climate, war, persecution, famine, disease, ignorance of sanitary laws, improvement in medicine, concentration of population, crime, suicide, charity, form of occupation, accidents, all affect death rates. Economic prosperity, marriage customs, individual preferences in choosing mates, age differences at time of marriage, natural fertility, artificial checks, all affect birth rates. Little ingenuity is required to extend these lists or to analyze each item into an indefinite number of subsidiary classes. A complete account of the modes of selection thus conceived is, therefore, impossible. Nevertheless, a review of some of the effects of the more important modes already enumerated may indicate their possible power. The instances brought forward may not in all cases be clear examples of the selec-

tion of innate traits. Still, they will certainly show the ability of the modes just enumerated to influence different social classes in different ways. Whether differences in hereditary traits are correlated with the different social classes involved may be open to question. It will certainly be shown, however, that the illustrated modes are capable of profoundly influencing birth and death rates, and are therefore selective in respect to whatever hereditary traits are involved. That in certain of the illustrations such traits are involved is to be inferred from considerations to be presented in Chapter V.

The first example may profitably be taken from the history of persecution in Spain. The results of the Inquisition Galton emphasizes as follows:

As regards martyrdom and imprisonment, the Spanish nation was drained of free-thinkers at the rate of 1,000 persons annually for the three centuries between 1471 and 1781; an average of 100 persons having been executed and 900 imprisoned every year during that period. The actual data during those three hundred years are 32,000 burnt, 17,000 persons burnt in effigy (I presume they mostly died in prison or escaped from Spain), and 291,000 condemned to various terms of imprisonment and other penalties. It is impossible that any nation could stand a policy like this, without paying a heavy penalty in the deterioration of its breed, as has notably been the result in the formation of the superstitious, unintelligent Spanish race of the present day.¹

Italy and France also have suffered from the same cause. For good reasons did former Prime Minister Jules Simon lament that not less than 80 of the German staff in the Franco-Prussian war were representatives of Protestant families formerly driven out of France.² In his thought,

¹ *Hereditary Genius*, p. 359.

² Samuel Smiles, *The Huguenots in England and Ireland* (1895), preface, p. vii.

perchance, this merely typified the change produced in France by the loss of her 300,000 exiles¹ and her 100,000 killed because of their religious beliefs.² And such thoughts would, indeed, have been mere hints of the role played by persecution throughout history, if, in reality, the differences from the general population which persecuted men undoubtedly exhibited in valor and intelligence were due, as many think, to their differences in innate capacity.

The elimination of the strong or weak by war is a familiar topic. If all members of a community engage in battle and are equally subject to the privations of a campaign, the stronger are likely to survive. If, on the other hand, only the strongest members are enlisted, they alone suffer. Famine and disease attack different classes unequally. That cities tend to draw the strong and virile from the country, and then in a few generations sterilize the stock, is likewise a well-known thesis.³ Dangerous trades also have their effect. Doubtless many occupations, like those of waiters and peddlers, have a high death rate because they attract the weak in physique and in character and encourage irregular habits. The high death rate in fishing, quarrying, mining and railroading, on the other hand, cuts off men of the better sort physically and in all probability mentally.

Of this nature, then, are some of the influences which affect age classifications in death rates. That to the operation of the more brutal of these forces—famine, disease and war—may be attributed the continuous supplanting of one

¹ Charles Weiss, *History of the French Protestant Refugees*, preface, p. v.

² Samuel Smiles, *op. cit.*, p. 64. Cf. also John L. Motley, *Rise of the Dutch Republic* (1856), vol. II, p. 389.

³ Cf. Georg Hansen, *Die drei Bevölkerungsstufen*. Also Otto Ammon, *Die natürliche Auslese beim Menschen*, p. 271 et seq.

savage tribe by another throughout the ages, needs little emphasis. The total extinction of Tasmanians, New Zealanders and many tribes of Indians in our own day but feebly illustrates the results of struggles now recalled only from ancient monuments and hoary traditions or found personified in the conquest story of some legendary hero. But here again it will be said that these were struggles between groups in which qualities of race brought to trial by combat were not wholly of an hereditary nature. True; but the effort here is merely to show the power of selection in preserving or eliminating whatever innate qualities were involved. Enough evidence has been given perhaps to show that some classes in a population are far more likely to be eliminated without reproduction than are others. Natural selection is at work.

But genetic selection is still more important. In civilized nations, Karl Pearson has computed, "about twenty-six per cent. of the married population produces fifty per cent. of the next generation."¹ How this may be Galton has strikingly shown in the following manner: first, those who marry when young tend to have the larger families, and, second, they produce more generations within a given period. If A, marrying at 22, produces an increase of $1\frac{1}{2}$ in the next generation, and there are $3\frac{3}{4}$ generations per century, while, B, marrying at 33, produces an increase of $1\frac{1}{4}$ in the next generation, and there are $2\frac{1}{2}$ generations per century, then A's children, by following his example, will in 3 centuries have produced 15 times more progeny than B's. It is important in this inquiry, however, to note the difference between gross and net fertility. The former is practically equivalent statistically to the birth rate; the

¹ *The Grammar of Science* (1900), Chapter on "Evolution," p. 413.

² *Hereditary Genius* (1892), p. 340.

latter is the number of children per family who reach the reproductive age. The following table, compiled by Pearson¹ from Rubin and Westergaard's Copenhagen statistics, will illustrate the significance of this distinction:

	No. of cases.	Number of children per family.	
		Gross fertility.	Net fertility.
1. Professional class.....	944	4.52	3.31
2. Commercial class	2009	4.58	3.01
3. Artisan class.....	2934	4.95	3.14

The order of increase in these classes measured by gross fertility is 1, 2, 3, by net fertility is 2, 3, 1.

The selective possibilities of differences in reproductive rates are thus very evident.

But not all mature individuals reproduce. Where monogamy is actually observed and a preponderance of one sex exists, certain of the other sex will necessarily fail to find mates. Among polyandrous or polygynous peoples, where the population is fairly stable and there is the usual approximate equality in the number of each sex born, a like result is to be found. Sexual selection occurs. Darwin's emphasis on the importance of this process has already been noted. To it he attributed the greater size, strength, courage, pugnacity, energy and even intellectual vigor and power of invention in man in comparison with the same qualities in woman. In her, he thought, beauty and sweetness of voice were its results.² Social relations will, of course, play a large part in controlling such choices. Systems of property inheritance, growth of social classes, relaxation of religious restrictions on marriage, will all be

¹ *The Chances of Death and Other Studies in Evolution*, vol. i, p. 98.

² *Descent of Man* (Appleton, 1871), vol. ii, pp. 365-6.

effective. But of this more in the chapter on the social limitations on the biological process. It is of greater importance here to consider further only the more direct influences on birth rates.

Gross and net fertility have already been discussed. But of changes in the crude birth rate more needs to be said. In his *Principles of Biology*, Mr. Herbert Spencer laid down the proposition that "every higher degree of organic evolution has for its concomitant a lower degree of that peculiar organic dissolution which is seen in the production of new organisms." "Ascending from the lowest to the highest types," he says, "there is a decrease of fertility so great as to become absolutely inconceivable and even inexpressible by figures." "Obviously, too," he continues, "survival of the fittest has a share in determining the proportion between the amount of matter that goes to Individuation and the amount that goes to Genesis. Whether the interests of the species are most subserved by a higher evolution of the individual joined with a diminished fertility, or by a lower evolution of the individual joined with an increased fertility, are questions ever being experimentally answered."¹ It is thus very apparent that Mr. Spencer recognized differing degrees of fertility, saw in them an influence capable of producing profound changes in social groups, and thought that between the various changes so caused natural selection was to have a share in the final arbitrament.

Whether, however, the physiological changes by which Mr. Spencer accounts for a lower birth rate with advancing civilization are at the present time as important as other causes of lowered birth rates among certain social groups, may be questioned. It is true that prolonged infancy, upon

¹ *Loc. cit.*, vol. iii, pp. 498-500.

which as a cause of progress Mr. Fiske laid so much emphasis, if it has not necessitated, has at least been accompanied by a lower birth rate. There is reason to believe also that in communities where the nervous strain incident to advancing civilization is greatest there the birth rate is lowest.¹ But physiological changes not produced by selection are usually slow. Moreover, in view of the increased wealth of the past century, natural selection could hardly be shown to have eliminated the more fertile. On *a priori* grounds, therefore, it is difficult to attribute the sudden decline in birth rates noted in the second chapter wholly to a physiological change. But there are stronger reasons for assigning this change to other causes. Dr. John S. Billings, former expert on vital statistics for the United States census, after a careful study of the decline of birth rates in several European countries and in the United States, concluded that probably "the most important factor in the change is the deliberate and voluntary avoidance or prevention of child-bearing on the part of a steadily increasing number of married people, who not only prefer to have but few children, but who know how to obtain their wish."²

This opinion was stated in 1893. Since then a large amount of corroborative material has accumulated.³ One of the most recent efforts to obtain inductive evidence on this point has been made by Mr. Sidney Webb. He has taken a voluntary census of between 600 and 700 married persons, chosen at random as far as possible, throughout

¹ J. L. Brownell, "The Significance of a Declining Birth Rate," in *Annals of the American Academy of Political Science*, vol. v, pt. 1, p. 48 *et seq.*

² *Forum*, vol. xv, p. 475.

³ For recent studies Cf. C. J. and J. N. Lewis, *Natality and Fecundity* (1906), and David Heron, *On the Relation of Fertility in Man to Social Status* (1906).

Great Britain. The returns indicate that limitation of the family began to become prevalent about 1875. By the decade 1890-1900 the proportion of marriages in which the family was intentionally limited, to those in which it was not, amounted to 107 to 7 or possibly 8. The numbers are admittedly too small to be more than a mere indication. Nevertheless, these facts are held significant in view of "common report that such deliberate regulation of the marriage state has become prevalent during the last quarter of a century . . . from doctors and chemists, from the officers of friendly societies and philanthropists working among the poor, and . . . from those who are engaged in the very extensive business to which this new social practice has given rise."¹

This influence does not affect all classes in the population in the same degree. In Ireland, for example, the birth rate has not declined to any great extent. What decline there has been has manifested itself chiefly in semi-Protestant Belfast. There has been no decline at all in Roman Catholic Dublin. In the towns of Great Britain the decline is least in Liverpool, Salford, Manchester and Glasgow—towns in which the proportion of Roman Catholics is considerable. Among the principal textile factory towns the decline is least at Preston, which is the one having the largest proportion of Roman Catholics. Among the different metropolitan boroughs the present rate is highest in those boroughs in which Irish Roman Catholics and Jews are most numerous. Although economic differences may partly account for some of these facts, there is, nevertheless, a presumption amounting almost to proof that the strong religious prohibition among Roman Catholics and

¹ *Physical Degeneracy or Race Suicide*, *London Times*, Oct. 11 and 16, 1906.

Jews against any regulation of the marriage state has been potent in producing these results.

It would not be difficult to cite many other instances to support the natural conclusion from these facts. It is already sufficiently evident, however, that differences in birth rates among nations are paralleled by selective differences among classes within nations.

The significance of the arguments presented in this chapter has already been indicated. If biological degeneration resulted from the reduction of the birth rate to the point required by social democracy, the maintenance of such a democracy would evidently be disastrous in the end. But such is not the fact. Even if it were, however, it has nevertheless been shown that there are many ways in which selection takes place without the elimination produced by a high birth rate.

It remains, therefore, to consider the character and importance of the innate traits which are subject to selection. By so doing and by considering the amount of difference that may appear in hereditary traits, the significance of the selective process will become apparent. For the crux of the whole matter lies in the nature of the supply of brains upon which the selective process may act.

CHAPTER V

THE SUPPLY OF BRAINS

SOME years ago Mr. Herbert Spencer made a plea for a definite determination of the extent to which various traits are inborn¹ but the answer of biology is not yet.

Whatever be the outcome of the debate over causes of variation, however, and whether Weismann's theory of the non-transmissibility of acquired characteristics is verified or not, there is nevertheless a sufficient number of facts relating to inborn traits to prove that the operation of selection upon them is a matter of real social importance. To one, indeed, who admits the unity of organic life and is familiar with the fundamental datum of biology that like produces like there is no surprise in finding scientific evidence to support the aphorism that "genius is born, not made." Anthropology tests ethnic traits by color of skin and hair, size of body and even minute anatomical details. Physiological psychology measures the accuracy with which acuteness of senses is transmitted. The alienist affirms the hereditary character of many forms of epilepsy, feeble-mindedness, insanity and other affections involving the nervous system. Even the practical business man bases insurance premiums in part upon the mental status of progenitors. The criminal anthropologist maintains that certain fairly definite types of criminals have at least a predisposition to anti-social conduct because of hereditary

¹ *Contemporary Review*, vol. lxvi, p. 608.

traits. Statistical verification has to some extent lent weight to the assertion that a similar causal connection exists between transmission of enfeebled-bodily powers and pauperism. Genealogical studies of talented and of poorly endowed families have emphasized the importance of heredity. Studies of the effect of environmental conditions on twins have strengthened the case. These facts thus briefly summarized lead to the conclusion that there are certain classes in society whose inborn characteristics differ so widely from the normal that the rate at which selection is acting upon them becomes of much importance.

To hold this belief is not however to admit the conclusions of those "anthropo-sociologists" who would fain discover by means of calipers a guide to a school curriculum adapted to the mental powers of differing peoples.¹ Nor is it necessary to take too seriously the assertion that in a struggle of the centuries mentally stolid round heads are displacing keener long heads by reason of greater efficient fertility.² None the less we do know "perfectly well" as Galton says, "how one baby, dog, horse, differs enormously from another by nature." To affirm that in men these innate differences do not include significant mental traits would be to deny the facts of daily observation.

According to the present method of considering biological and psychological phenomena the assumption must be made that the higher mental traits have developed from lower conditions existing at a previous time and that at one time there certainly must have been races and tribes in which these higher traits were not at all or only slightly developed. It is not in the least inconsistent with this general

¹ Cf. Carlos C. Closson, "The Pedagogical Significance of the Cephalic Index, *Journal of Political Economy*, vol. vi, p. 254 *et seq.*

² G. Vacher de Lapouge, *Les Sélections Sociales*, p. 67.

assumption to expect that different peoples at the present day will be found differently endowed. As to whether the facts actually bear out this expectation, however, there is no general agreement among scientists. As to differences between individuals within the same race, there is less divergence.

Because of these disagreements it is necessary to review the problem at some length. For convenience the question of racial differences will be treated first and then that of individual differences within social groups. Finally the importance of the results from the point of view of selective influences on society will be presented.

The question of differences among races and subdivisions of races has long been discussed. Mr. Robertson says:

"On the subject of National Character," as Mr. Huxley writes, "more nonsense, and often very mischievous nonsense, has been and is talked than upon any other topic." To begin with, there is the question of discrimination of the known elements of stock in any one nation. There are a dozen historically known elements, as traceable by recorded invasion, dialect and immigration, in the leading European nations. There are the Syrian and Egyptian elements in old Greece, which was a mixture of tribes to begin with; the Greek and Syrian and African elements in Imperial Italy, which had a medley of stocks at the opening of the historic period to begin with; there was an infusion of these mixtures in Spain, Italy, Gaul, Germany and Britain; there were later Teutonic invasions of the South and the Saracen invasion from the East. France, the most compact of modern states, is framed of sections of very different stock, as gathered from language, lore and physique; and Britain is at least as diverse in its stocks. In every section of every state, again, we find different types, so that characteristics loosely called "Celtic" are found in people loosely decided to be Teutonic and *vice versa*. In this vast medley of minute peculiarities, who shall pretend to say that there is

established anything approaching to an agreed-on account of race characters or national character? The theme is but the happy hunting ground of the amateur sociologist.¹

Likewise in regard to race, Gustavo Tosti writes:—"in the actual state of science the word 'race' is a vague formula to which nothing definite may be found to correspond. On the one hand the original races can only be said to belong to paleontology, while the more limited groups now called races are nothing but peoples, or societies of people, brethren by civilization more than by blood."² Thus "the notion of race as a zoological expression in the sense of a pure breed or strain," as Keane remarks, "is falling into the background."³

In spite of all this, however, there is good reason for holding that large groups of men have hereditary traits that are considerably different from those of other large groups. No part of Romanes' lectures is more interesting and conclusive than the chapter on Geographical Distribution in which he explains the effect of isolation in permitting the development of different types of fauna and flora in different parts of the world. Fully admitting the fact that isolation might never have been complete, he nevertheless concludes from a practically exhaustive examination of the plants and animals of many islands remote from the mainland that "wherever there is evidence of land areas having been for a long time separated from other land areas, there we meet with a more or less extraordinary profusion of unique species, often running up into unique genera. Moreover there is everywhere a constant correlation between the degree of this peculiarity on the part of the fauna and flora

¹ John M. Robertson, *Buckle and His Critics*, p. 96.

² *American Journal of Sociology*, vol. iii, pp. 467-8.

³ Augustus H. Keane, *Man Past and Present*, p. 32.

and the time during which they have been isolated."¹ When therefore anthropologists are found affirming that "during long ages some of the (human) groups have remained in their original habitats ever since what may be called the first settlement of the earth by man"² it is not unreasonable to expect innate differences among human societies. "Even in the same family," says Professor Ross, "we find congenital differences in the strength of the sex-appetite, in the taste for liquor, in the craving for excitement, in migratoriness, in jealousy, in self-control, in capacity for regular labor, in the spirit of enterprise, in the power to postpone gratification—differences which defy eradication by example or instruction. If such diversities declare themselves within a people, why not between peoples?"³

The difficulty of acclimatizing various peoples to strange environments lends strong support to this view. So many of the party of Eskimo men and women brought back by Lieutenant Peary in 1897 died of pneumonia that the survivors had to be restored to their homes to save their lives.⁴ "The human varieties," says Keane, "are seen to be, like all other zoological species, the outcome of their several environments; they are what climate, soil, diet, pursuits and inherited characters have made them, so that all sudden transitions are usually followed by disastrous results."⁵ Ripley remarks that "to urge the emigration of women and children or of any save those of the most robust health to the tropics may not be to murder in the first degree but it should be classed, to put it mildly, as an incitement to it."⁶

¹ *Darwin and after Darwin* (1892), vol. i, p. 235.

² Augustus H. Keane, *op. cit.*, p. 12.

³ *Foundations of Sociology*, p. 355, note.

⁴ Augustus H. Keane, *op. cit.*, p. 13, note.

⁵ *Ibid.*, p. 13.

⁶ *The Races of Europe*, p. 586.

On the other hand there are those who, admitting the fact of isolation, nevertheless minimize hereditary differences among large social groups. Professor Boas, for instance, holds it "probable that the wide differences between the manifestations of the human mind in various stages of culture may be due almost entirely to the form of individual experience, which is determined by the geographical and social environment of the individual." "It would seem," he continues, "that, in different races, the organization of the mind is on the whole alike, and that the varieties of mind found in different races do not exceed, perhaps do not even reach, the amount of normal individual variation in each race."¹ Nevertheless Professor Boas finds himself forced to admit that "a number of anatomical facts point to the conclusion that the races of Africa, Australia, and Melanesia are to a certain extent inferior to the races of Asia, America and Europe." "We find that on the average the size of the brain of the negroid races," he says, "is less than the size of the brain of the other races; and the difference in favor of the mongoloid and white races is so great that we are justified in assuming a certain correlation between their mental ability and the increased size of their brain."²

In spite of these somewhat contradictory opinions of anthropologists Keane has ventured to present a tabular summary, reproduced on the following page, of different traits of the four great types of mankind which he thinks it worth while to recognize. The types of course are "ideal," that is, they represent the "mode" about which the infinite gradations of traits found among all the individuals classed

¹ "The Mind of Primitive Man," *Smithsonian Institution Reports*, 1901, appended papers, p. 460.

² *Ibid.*, p. 453.

	Ideal Negro Type. ¹	Ideal Mongol Type.	Ideal American Type.	Ideal Caucasian Type. ²
Hair	a. Short, jet black, frizzly, flat in transverse section; little or no beard. b. Reddish brown, woolly. a. Blackish. b. Yellowish-brown.	Coarse, black, lusterless, lank, round in transverse section, beardless, but moustache common. Yellowish.	Very long, coarse black, lank, nearly round in section, beardless.	a. Long, wavy, soft, flaxen. b. Long, straight, wiry black; both oval in section, both full bearded.
Colour	a. Blackish. b. Yellowish-brown.		Coppery, yellowish.	a. Florid. b. Pale.
Skull	a. Dolichocephalous, 72. b. Brachycephalous, 83.	Brachycephalous, 84.	Mesaticephalous, 79.	a. Dolichocephalous, 74. b. Brachycephalous, 83.
Jaws	Prognathous, 60.	Mesognathous, 68.	Mesognathous, 72.	Orthognathous, 76.
Cheek bone ..	Small, moderately retreating.	Prominent laterally.	Moderately prominent.	Small, unmarked.
Nose	Very broad, flat platyrrhine, 56.	Very small, mesorrhine, 52.	Large, bridged or aquiline, mesorrhine, 50.	Large, straight or arched, leptorrhine, 46.
Eyes	Large, round, prominent, black, yellowish cornea.	Small, black, oblique, outer angle slightly elevated, verticle fold of skin over inner canthus.	Small, round, straight, sunken, black.	a. Blue. b. Black, both moderately large and always straight.
Teeth	Large (macrodont).	Medium (mesodont).	Medium (mesodont).	Small (microdont).
Stature	a. Above average, 5 ft. 10 in. b. Dwarfish, 4 ft.	Below the average, 5 ft. 4 in.	Above the average, 5 ft. 8 in.	a. Above the average, 5 ft. 8 in. b. Average, 5 ft. 5 or 6 in.
Speech	Agglutinating of various prefix and postfix types.	Agglutinating, chiefly with postfixes, isolating, with tones.	Poly-synthetic mainly.	Chiefly inflecting; some agglutinating.
Religion	Non-theistic, nature and ancestry worship, fetishism and witchcraft prevalent.	Polytheistic, Shamanism, Buddhism, Transmigration.	Polytheistic, animism, nature worship.	Monotheism, Judaism, Christianity, Mohammedanism.
Temperament ..	Sensuous, indolent, improvident; fitful, passionate and cruel, though often affectionate and faithful; little self-respect, hence easy acceptance of yoke of slavery; science and art undeveloped.	Sluggish, somewhat sullen, with little initiative but great endurance, generally frugal, thrifty and industrious but moral standard low; science slightly, art and letters moderately developed.	Moody, taciturn, wary, deep feeling marked by an impassive exterior; indifference to physical pain; science slightly, art moderately, letters scarcely at all developed.	Active, enterprising, imaginative. a. Serious, steadfast, solid, and stolid. b. Fiery, impulsive, fickle; science, art and letters highly developed in both.

¹ a—Negro. b—Negrito.

a—Xanthothroed. b—Mesochothrod.

in the great divisions would group themselves. In all probability no one individual would embody all the traits of his class yet no individual would vary so much in all respects from the type as to fall into another class. In this table the first nine horizontal lines refer to traits evidently determined by heredity. It is, of course noticeable that hereditary differences in the nervous system, or in rapidity and continuity of response to stimulus, observed according to the criteria of physiological psychologists, are not mentioned except in so far as possibly the shape of the skull is an index of psychic qualities. In the absence of such data and with the utter impossibility at present of eliminating differences produced by social environment, an affirmation of a causal connection between the facts of the first nine lines and those of the last line would be unwarranted. Nevertheless the fact that particular temperamental traits are thus associated with particular peoples in a fairly definite way raises a strong presumption that certain moral reactions are more likely to be expected from the descendants of certain stocks than from others.¹

The relative prevalence of emotional crime and suicide in various nations is perhaps the best general proof as yet adduced of differing temperamental qualities in different peoples. The following table quoted by Mayo-Smith² from Bodio, indicates the conditions respecting crime.

NUMBER OF PERSONS CONDEMNED PER 100,000 INHABITANTS.			
	For Murder.	Wounding.	Larcenies.
Italy	8.05	226.06	78.17
France	1.46	71.62	114.79
Germany .....	.80	154.70	177.36
Austria	2.15	285.19	
England .....	.40		130.97
Scotland .....	.56		
Ireland .....	.85		
Spain	5.21		

¹ *Ethnology*, p. 228.

² Richmond Mayo-Smith, *Statistics and Sociology*, p. 287.

This perhaps lends some support to the theories of those who see reflected in the plastic arts the emotional quickness which in the words "frivolity," "lightheartedness" and "passionately revengeful" have come to be associated with the Latin peoples. Furthermore, if perchance suicide be associated with a melancholic temperament it may not be altogether without significance that the highest rate is found in central Germany, while the numbers diminish sensibly within groups infused with Celtic, Latin, and Slavonic blood until the lowest rates are found in Ireland, Spain, Southern Italy, Roumania, Russia and Finland.¹

Statistics on these points are undeniably inadequate, however, and by no manipulation can the importance of the social factor be determined. Until careful studies by the psychologists bring out the correlation of physical characteristics and emotional qualities nothing definite and exact can be affirmed respecting racial traits. It can only be asserted that there is a strong probability of the truth of such general statements as, for instance, that the patience of the Chinaman has been developed very much as his powers of physical endurance seem to have been produced, namely by the continuing elimination of those unable to meet the severe conditions of life confronting the great mass of the population in the Celestial Empire. The veriest stickler for the power of environment cannot but grant the profound effect that may be produced upon a child if congenital myopia or deafness isolate him from his companions. Vivacity, conscientiousness, temper, self-consciousness are all traits largely dependent, in individuals, upon physical characteristics. The man who has inherited good teeth and a strong digestive system is not likely to show the irritability of a dyspeptic. Just so far, likewise, as physical traits under-

¹ Richmond Mayo-Smith, *op. cit.*, p. 244.

lying temperamental differences are found to be distinctive of certain peoples, just so far it is permissible to affirm that significant moral differences among peoples are likely to have an hereditary basis.

So much, then, for hereditary differences among great social groups.

As to differences among individuals within groups the case is much clearer. Even here there is a school of thought, however, that considers the conditions making for effective greatness so complex as to mask alleged regularities in the production of talented men by the fact that particular geniuses born happened not to find congenial tasks.¹ But nowhere has it been argued that the conditions making for inefficient idiocy are so complex as to render uncertain the fairly regular recurrence of somewhat definite numbers in any given society. So long as it is conceded that "a Voltaire, Shelley or Carlyle can hardly be conceived leading a dumb and vegetative life in any epoch,"² just so long will it be impossible to ignore the exact statistical work of those who assume that, on the whole, achievement is a fair index of ability—non-achievement of the lack of it.

The results obtained by attempting to measure the distribution of ability in accordance with the distribution of achievement are at least sufficiently important to merit careful consideration. Certainly no better way has yet been found to render somewhat exact the general notions all possess of the relative frequency of men highly or poorly endowed by nature. The table on the following page gives Galton's classification of men of the United Kingdom according to their natural gifts as calculated from their achievements.³

¹ William James, *Atlantic Monthly*, vol. xlv, p. 453, note.

² *Ibid.*

³ *Hereditary Genius* (1892), p. 30.

Grades of natural ability separated by equal intervals.		Numbers of men comprised in the several grades of natural ability, whether in respect to their general powers, or to special aptitudes.							
		Proportionate, viz., one in	In each million of the same age.	In total male population of the United Kingdom, say 15 millions, of the undermentioned ages.					
Below average.	Above average.			20-30.	30-40.	40-50.	50-60.	60-70.	70-80.
a	A	4	256,791	651,000	495,000	391,000	268,000	171,000	77,000
b	B	6	161,279	409,000	312,000	246,000	168,000	107,000	48,000
c	C	16	63,563	161,000	123,000	97,000	66,000	42,000	19,000
d	D	64	15,696	39,800	30,300	23,900	16,400	10,400	4,700
e	E	413	2,423	6,100	4,700	3,700	2,520	1,600	729
f	F	4,300	233	590	450	355	243	155	70
g	G	79,000	14	35	27	21	15	9	4
x*	X†	1,000,000	1	3	2	2	2	—	—
On either side of average.....			500,000	1,268,000	964,000	761,000	521,000	332,000	149,000
Total, both sides			1,000,000	2,536,000	1,928,000	1,522,000	1,042,000	664,000	298,000

* All grades below G.

† All grades above G.

In explanation of this table Galton says, "more than half of each million is contained in the two mediocre classes a and A; the four mediocre classes a, b, A, B, contain more than four-fifths, and the six mediocre classes more than nineteen-twentieths of the entire population." Mediocrity is defined to be that grade of ability represented by the bulk of general society of small provincial places. Class C includes men of ability a trifle higher than that of the foreman of an ordinary English jury. D comprises the mass of men who obtain the ordinary prizes of life, E is a stage higher, F and G are composed of men of marked ability, X includes genius. The small letters denote complementary classes on the descending scale. The distribution exhibited in this table is, of course, based on the applicability to this problem of the so-called law of chance in accordance with which a large number of minute causes acting with an equal probability of efficiency, as Galton assumes for the causes of variation, will, with a sufficiently large number of cases, invariably produce such a result as he gives. On this hypothesis a change in the number of groups would not in the least affect the actual distribution. The validity of the method of course rests entirely upon the general accuracy with which the facts meet the hypothesis. Galton showed that for England a distribution of the names in certain standard biographical dictionaries classified by objective and fairly impersonal tests grouped themselves with considerable accuracy in accord with the theoretical requirements of groups F, G and X of the table. Similar studies by others made in as objective a way as possible have tended to confirm his results in these classes. That the rest of the distribution can be verified by similar tests based upon degree of achievement still awaits complete demonstration. Closson, however, has made the following interesting comparison between Gal-

ton's figures and Charles Booth's distribution of the population of London according to degree of comfort.¹

Booth—General classes—all London.		Booth—Detailed classes—East, Central, South and outlying districts.		Galton—Ability classes.	
	Per cent.		Per cent.		Per cent.
Semi-criminals...	2 ²	Semi-criminals.....	2 ¹	x, g, f, e, d	1.8
Casual laborers ..	7.5	Casual laborers	10.9	c	6.4
Poor	22.3	Intermittent earnings....	10.1	b	16.0
		Small regular			
		earnings	13.7		
Comfortable.....	51.5	Standard regular		a and A	52.4
		earnings	41.7		
Middle class and		Superintendents, etc.	14.8	B	16.0
above	17.8	Lower middle class.....	5.5	C	6.4
		Upper middle class.....	1.9	D, E, F, G, X	1.9

The parallelism in the figures may be fortuitous but the results certainly do not conflict with Galton's claims.

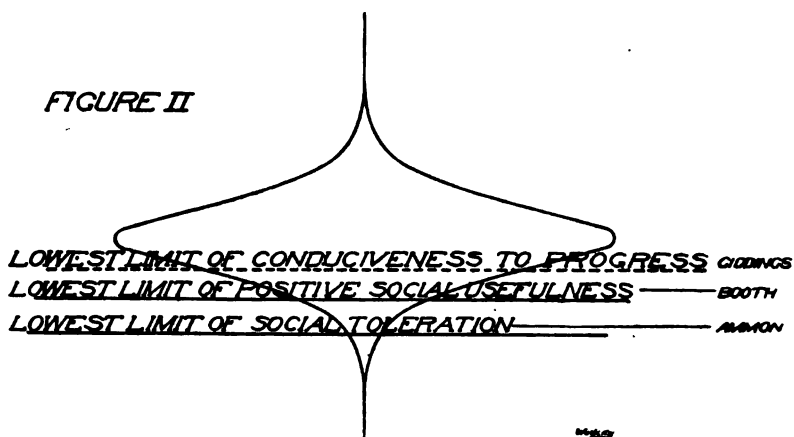
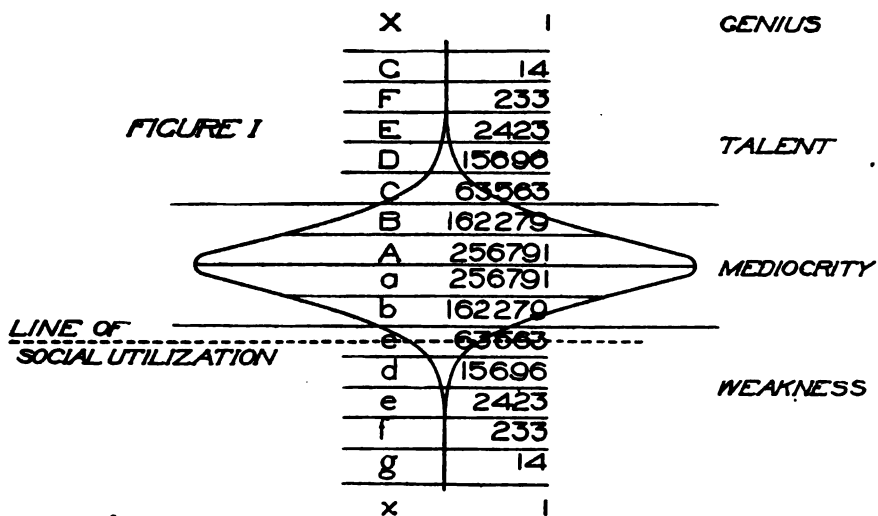
In further application of Galton's figures Ammon gives the graphic illustration herewith reproduced on the opposite page (Figure 1), by which he intimates that the social pyramid is really a social turnip—and rather flat even at that.² Closson has amplified it into Figure 2.⁴ The argument with respect to this figure is that inasmuch as Booth thinks the slight amount of work done by the group of casual laborers could be better done by the next higher grade with advantage to society as a whole he would probably draw the line of positive social utility between b and c. Closson also infers from

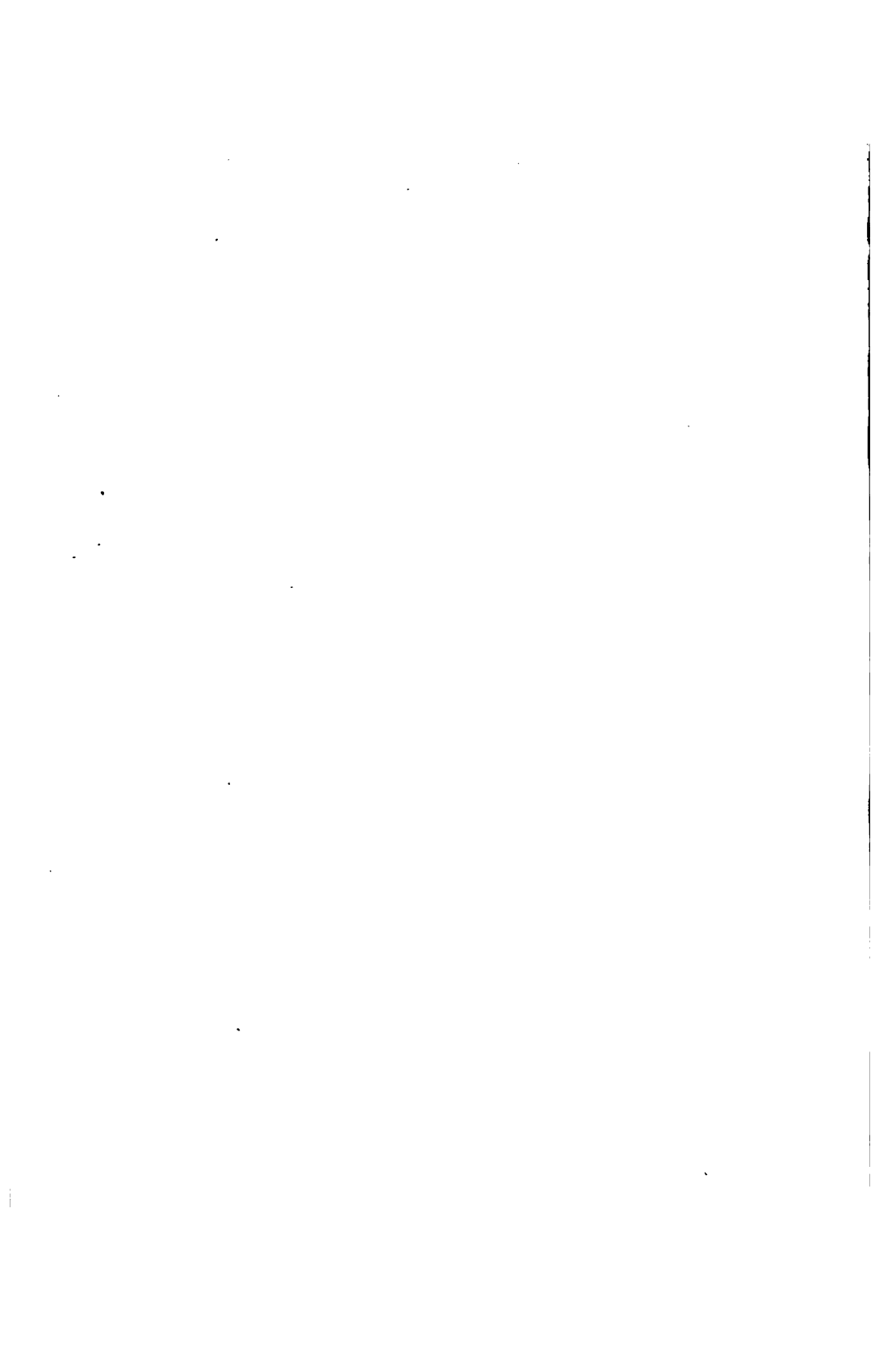
¹ *Journal of Political Economy*, vol. vii, pp. 221-3.

² Includes one-half the inmates of institutions in addition to Booth's figures.

³ *Gesellschaftsordnung*, p. 83. (The terms of classification in the figures are Closson's.)

⁴ *Journal of Political Economy*, vol. vii, p. 220.





Professor Giddings' article on "The Ethics of Social Progress" ¹ that the limit of conduciveness to social progress would be placed by him at class b. This inference is drawn from Professor Giddings' statement that "laborers that have no adaptiveness, that bring no new ideas to their work, that have no suspicion of the next best thing to turn to in an emergency might much better be identified with the dependent classes than with the wealth-creators." ²

Very much stress is not to be laid on the accuracy of such comparisons as have just been cited from Closson. They do serve to show, however, that social conditions parallel to a considerable extent the effects which present knowledge of the laws of heredity would lead us to expect if the effect of environment were shown to be comparatively small. Whether Galton be correct or not in the details of his doctrine there is little reason to doubt the existence of sufficient differences in natural ability among individuals to make the social effect of the selective process of great importance in maintaining the quality of a population.

The material presented in this and the two preceding chapters now admits of summary. It has been shown first, that there is no adequate reason as yet advanced by biology for assuming a diminishing birth rate to entail necessary degeneration; second, that the selective process is a reality; third, that the laws of heredity so far as formulated by biologists are such as to permit rapid selection; fourth, that the modes of selection are as infinite in number as are the influences affecting birth and death rates; fifth, that although a certain amount of difference may exist among the abilities of the great groups of mankind nevertheless those differences are probably not great enough to justify distin-

guishing between the abilities of particular individuals on the ground of their racial affinities; sixth, that there are differences between the innate traits of individuals both physical and psychic sufficiently great to warrant the presumption that the selective processes operating upon them are of great social importance.

If these contentions be valid two things of great practical value become apparent. The first is that so far as present knowledge is a guide the treatment of different social groups cannot safely be based on supposed differences in innate traits until the particular groups in question have been inductively shown to be composed of individuals who upon separate examination of each and every one are severally found to possess the particular traits in question. The second is that no society can afford to ignore the selective processes that are taking place in it. The innate differences between individuals are known to be great and the selective process has been shown to be capable of great rapidity in action. Especially, therefore, should a social democracy, dependent as it is on the high quality of its citizens for maintenance, take these processes into account.

CHAPTER VI

SOCIAL LIMITATIONS ON THE BIOLOGICAL PROCESS.

UNLESS preceding chapters have wholly failed of their purpose, it has become clear that there are reasonable grounds for holding the maintenance of a social democracy to be conditioned upon, first, a lower rate of population increase in response to increasing means of subsistence than obtains among some peoples; second, upon social stability guaranteed by an easily defensible situation, and, third, upon a favorable selection of stocks. Furthermore, it has appeared that the social process has involved both a struggle among racial and national groups and selection of individuals within these groups. With respect to the inter-group struggle it has been pointed out that increased control over nature has permitted the formation of larger and larger groups, and with respect to the selection of individuals it has been noted that both death and birth rates are largely determined by social relations.

With this preparation it is now possible to consider certain specific effects of these social limitations on the biological process—limitations which may prove of importance in determining the conditions for maintaining a social democracy. Among these effects two facts stand out preëminent. The first, already referred to in Chapter II, is that the more imitation spreads among all peoples the knowledge of agricultural, industrial and commercial processes by which increased control over nature is possible, the less does the relative increase of the populations of different groups de-

pend on their physical ability to maintain a high birth rate—the more does it depend on the social relations which determine such rates. Knowledge is power but it may be used either for better living or more lives. Second, as the group conflict produces larger and larger groups, the physical differences and, in certain respects, the social differences, among populations comprising the opposing groups become greater and greater. Once tribe met tribe in a single valley; later Greek met Greek on a wider field; now Slav meets Jap and the world looks on. There are fewer contests, larger numbers engaged, greater cultural and physical differences among the contestants. Thus occur two processes. The impediments to blood amalgamation are removed over wider and wider areas as the groups enlarge. On the other hand, such amalgamation has greater and greater differences to overcome among the remaining groups. The paradox arises of wider tolerance tending to produce greater intolerance. Opposing these greater physical and cultural differences among groups, however, is of course the process of imitation whereby mental and moral likenesses arise as a basis for possible future toleration and amalgamation. But at the present time there is little need of illustrating the fact that racial and cultural differences between Western and Eastern civilization limit the process of blood-amalgamation to-day almost wholly to individuals within each of these groups. Doubtless there are peoples whom it would be difficult to classify as Eastern or Western. Within them the toleration of both cultures may to some extent remove the barrier to amalgamation. By and large, however, the Occidental stands for a moderate birth rate, a high plane of living and democracy, the Oriental for high birth rate, a low plane of living and caste. The economic antagonisms growing out of these facts combined with accompanying differences in religion, education,

general culture, physical characteristics and geographic situation are not likely to lead to rapid amalgamation.

To a less extent minor social differences within each sub-group likewise tend to prevent mixture. Here again, however, the difficulty is increased when marked physical differences appear among members of the same sub-group. Such differences are usually accompanied by cultural differences. In spite of a particular individual's worth there is a tendency to attribute to him all the distasteful characteristics of the general class whose physical traits he bears. A race question exists. Amalgamation must proceed without social sanction. Religious differences at times are also very effective hindrances to the process of amalgamation in sub-groups. In New York City, for example, when German immigration was chiefly Protestant there were few mixed marriages with the Roman Catholic Irish. As soon, however, as Roman Catholics from South Germany began to arrive in force, mixed German and Irish marriages became frequent.¹ The effect of social position also needs no emphasis. Morganatic marriages by aristocrats of wealth excite quite as much comment as do alliances properly so-called. Maud Muller seldom marries the judge. Few women of note elope with their coachmen. There is thus a tendency in self-conscious social sub-groups to develop a distinct limitation upon the choice of mates which its members may make without incurring the danger of losing cast. The larger and more self-conscious the group, moreover, the greater is the retarding effect upon amalgamation.

The most interesting circumstance regarding social limi-

¹ Statistical treatment of these facts has apparently not yet appeared in print. The statements are based upon observations by settlement-workers and others competent to judge.

tations upon the biological process, however, is perhaps the fact that these limiting social relations are becoming more and more subject to rational control. During the past century there was indeed a tendency to remove altogether the old limitations on freedom of domicile inherited from feudal times. It is true, moreover, that under the influence of the doctrine of the brotherhood of man treaties were negotiated by which the nations of Europe acknowledged the right of expatriation¹ and that the United States even declared this to be a natural and inalienable right of the individual.² But an incident of the debate in the United States Senate preceding the passage of the exclusion bill of 1879 is perhaps of some significance. The sole protest against that unseemly disregard of China's treaty rights which was offered on the ground that this country should be a refuge for the outcast of every nation came from the aged Senator from Maine—a state which boasted a population of just eight Chinamen.³ The gradual growth of restrictions by the United States since that date is common knowledge. The new Aliens bill in England and the numerous restriction laws passed by British colonies within the past few years reflect the same growing tendency toward control. Increased attention to this subject is being given by almost all European countries.⁴ Even propositions for international regulation of migration have ceased to be novelties. Social limitations on the process of amalgamation among the great national groups are thus unlikely to decrease in the near future.

¹ Cf. Richmond Mayo-Smith, *Immigration and Emigration*, pp. 288-290.

² *Ibid.*, pp. 251-2.

³ *Census of 1880*. Vol. on Population, pt. i, p. xxxviii.

⁴ Cf. James D. Whelpley, *The Problem of the Immigrant*, p. 17 *et seq.*

But rational control over the biological process is not confined to inter-group relations. Within each sub-group the effects of social relations on birth and death rates are awakening interest. As yet those effects are but dimly recognized. A long step forward, however, has been taken in the recognition, for instance, that the criminal law is not to dispense justice but to attain socially expedient results—social justice. No longer an eye for an eye but reformation and prevention are the watchwords. And theories of prevention throughout the field of philanthropy are more and more taking account of the broader social causes of distress. Such tendencies will inevitably produce attempts to gauge accurately the effect that social conditions have upon the quality of the population through their influence on birth rates and death rates. Little has been done in this field. There has been much *a priori* speculation like that of Kidd on theories of necessary degeneration. There has been wild talk of race suicide. Well-known men have written as though actual effects upon the blood of nations of such selections as are now taking place were actually known.¹ But the true conditions are not known.

Nevertheless a very significant change is taking place. Already both in Europe and in this country explicit and practical recognition has been given the principle that purposive modification of social conditions should be made in part at least with respect to the effect of such modifications on the birth rates of different classes in the population. The beginning has been made. The question now is, to what extent can the principle be pushed wisely?

In the United States the explicit recognition referred to consists in the attempt of various commonwealths to prevent the marriage of persons having certain hereditary maladies

¹ Cf. David S. Jordan, *The Blood of the Nation*.

and in the custodial care of the feeble-minded. Further, recognition is, of course, implicit in the total exclusion of certain classes of immigrants. At the present time the practical results of these measures is perhaps relatively small. Nevertheless it is something to find increasing interest in legislation affecting marriages between epileptics and feeble-minded persons and in custodial care. In 1903 Dr. J. C. Carson of the Syracuse State Institution for feeble-minded children was able to report that during the year legislation affecting these classes was had in no less than twelve commonwealths of the Union and that seven governors of states had called official attention to their needs. Since 1900 four states have either raised the age limit for receiving inmates into custodial asylums or have increased the legal means of forcible detention in such institutions. Within the same period also three states have prohibited marriages between feeble-minded and epileptic persons. One state even makes it a felony to abet such a marriage. Measures making medical examinations prerequisite to obtaining marriage licenses have been introduced lately in many legislatures. In one instance at least the proposition met with sufficient favor to cause its passage in a state senate. Thirty-two states have prescribed minimum ages at which minors are capable of marrying. The "age of consent" is slowly rising.¹

As to custodial care it must indeed be admitted that provision is small. The census of 1890 showed a total of 95,571 idiotic and feeble-minded persons in the United States. Of these 42,805 were classed as congenital cases.² It is certain that this number does not include nearly all.

¹ Data on legislation are from *New York State Library Bulletins on Legislation*, 1900-1905.

² Report on *Insane, Feeble-minded, Deaf and Dumb, and Blind*, p. 308.

Of the whole number but 5,254 were in special institutions for feeble-minded.¹ In 1893 the total number of such institutions was 19 and their combined capacity 6164.² The census of 1900 did not attempt to discover the number of feeble-minded outside of institutions. The total of those under custodial care in public and private asylums in 1903 was found to be 14,347 and the number of institutions had risen to 42.³

But despite this relatively slow development of institutions based distinctly on the idea of lowering the birth rate of classes having hereditary defects, there is in fact a considerable amount of actual segregation in this country. This is brought about as an incidental result of caring for helpless and irresponsible persons and protecting society from dangerous ones. Of the 100,485 insane enumerated in the United States Census of 1890⁴ over 74,000 were in institutions.⁵ Few of these, perhaps, have been received for purely custodial reasons. The tendency to discard the name asylum and substitute that of hospital reflects interest in the possible cure of the individual rather than in the idea of segregation. The total enumerated number of insane may be too small, as is the case with the feeble-minded, but, in any event, the proportion of those under restraint is far greater. It is true that insanity is not always of the congenital type. On the other hand many hold its appearance in every case to be evidence of an hereditary predisposition to it.

¹ *Report on Insane, Feeble-minded, Deaf and Dumb, and Blind*, p. 299.

² Amos Warner, *American Charities*, p. 278.

³ John Koren, *Special Census-Bureau Report on the Insane and Feeble-minded* (1904), pp. 206-7.

⁴ *Report on Insane, Feeble-minded, Deaf and Dumb, and Blind*, p. 158.

⁵ *Ibid.*, p. 208.

Institutional care of the deaf and dumb has sometimes been opposed on the ground that it tends to produce a deaf variety of the human race by promoting marriages among them.¹ The total number of congenitally deaf over fifteen years of age in the United States was given as 11,913 in 1890 and but few of these were in institutions. Segregation among this class is therefore relatively small. It is significant, however, that the problem in relation to them has begun to elicit careful study.²

Punishment of criminals has also a segregational aspect of importance. The number of persons serving term sentences in the United States in 1890 was 63,653, of whom over 45,000 had been sentenced to from one to twenty years. Examination of the age classifications of prisoners shows that more than half begin their terms before they are thirty years of age—much the largest number, by five-year periods, being between the ages of twenty and twenty-five. By sex, of course, males greatly predominate but from the point of view of selection whatever difference this fact may have, probably enhances the effectiveness of the segregation. Doubtless the Italian criminologists have over-emphasized the possibility of recognizing the instinctive criminal by physical stigmata. On the other hand, whether or not there is such a thing as an hereditary predisposition to commit anti-social acts when the opportunity offers, few will deny that the prisons do contain a larger proportion of persons whose innate traits are abnormal than occurs in the general population. Only careful statistical work can establish this fact and give it quantitative exactness but to the extent it is found true, to that extent is imprisonment-segregation of importance.

¹ Alexander Graham Bell, *Memoir upon the Formation of a Deaf Variety of the Human Race*.

² Cf. Edward A. Fay, *Marriages of the Deaf in America*.

The general increase in conscious control of migration has already been considered with respect to its retarding effect on mixture of stocks. From the point of view of a sub-group this retardation may, of course, produce selective results. General Walker maintained that European immigration into the United States increased population not a whit but simply caused the non-existence of an equal number of native born.¹ The total exclusion of the Chinese has likewise been selective. But the chief selective effect of control over immigration is evidenced in the discrimination displayed among individual applicants for admission to this country. The statutes of the United States at present in force provide for the exclusion of the following classes other than Chinese (1) convicts, except those guilty of political offenses, (2) women imported for immoral purposes,² (3) lunatics, (4) idiots, (5) persons unable to care for themselves without becoming public charges,³ (6) contract laborers,⁴ (7) paupers, (8) persons suffering from loathsome or dangerous contagious diseases, (9) polygamists, (10) "assisted" immigrants (i. e. those whose passage has been paid for by others unless they show affirmatively that they are otherwise admissible),⁵ (11) epileptics, (12) persons who have been insane within five years previous, (13) professional beggars, (14) anarchists, (15) persons attempting to bring in women for purposes of prostitution, (16) persons deported within a year previous as contract laborers.⁶ Enforcement of exclusion in the case

¹ "Immigration and Degeneration," *Forum*, vol. ii, p. 642 *et seq.*

² Act of March 3, 1875, ch. 141.

³ Act of Aug. 3, 1882, ch. 376.

⁴ Act of Feb. 26, 1885, ch. 164.

⁵ Act of March 3, 1891, ch. 551.

⁶ Act of March 3, 1903, ch. 1012.

of classes 3, 4, 11 and 12 is certainly selective; it may well be so in the case of all others except that of contract laborers. Doubtless the inhibiting effect of these provisions is considerable and the ideal state would of course be reached if deportation under these statutes were never necessary. The number of persons debarred, however, has reached a large figure. In 1905 it was 11,480 out of 1,026,499 arrivals, or 1 in 89+.¹ But more than 9,000 of these were in classes 5 and 6 and the selective value of the greater part of the rejections is very indefinite.

It is plain, then, that social limitations on the biological process not only exist but are becoming the means of purposive control of population. How far this control may advantageously be extended in the future is a matter requiring careful inquiry. For example, what is known of the real birth rate of those pitiable creatures who resort to almshouses only long enough to recuperate after a debauch? How far are our public institutions a menace rather than a safeguard simply because they help maintain instead of segregate the abnormal? What is known of the typical descendants of different classes of immigrants in the second and third generations?

These are but elementary questions suggested by existing treatment of abnormal classes and of immigrants. Of still more importance are the indirect effects upon the quality of population produced by the interference of government in economic relations. To what extent, for instance, has the tariff, by encouraging certain industries created a demand for certain classes of labor that otherwise would not have existed? What effect has the tariff had on sweat-shop conditions in New York City or upon the "Slav invasion" of Pennsylvania? How far is expenditure for

¹ *Report of the Commissioner-General of Immigration, 1905, p. 10.*

irrigation in the West preventing the emigration of valuable citizens into the wheat region of Canada? Can added justification for tenement-house legislation be found in the fact that an enforced higher standard of living reduces the birth rate of that portion of the population which is affected? Are not higher rents produced by such legislation socially advantageous? In what respect does child labor legislation or restriction of factory work by women affect birth and death rates? What is the selective result?

A rich claim is here staked out. It awaits methodical development.

CHAPTER VII

SUMMARY AND APPLICATION

NOTWITHSTANDING the statement of the problem in general terms this essay on Social Democracy and Population has been shaped perhaps too obviously with reference to conditions in the United States. The definition of social democracy is that which is beginning to become a national ideal in this country. The instances given of social control over the biological process have reflected problems in the main as they present themselves here. It is true that disproof of the thesis that degeneration necessarily follows a cessation of the cruder forms of the selective process is of more than local interest. The modes also by which selection acts are not limited to any one group of people. Nevertheless these questions were included merely because of their necessary bearing on the practical question, is the maintenance of social democracy in the United States an ideal within a reasonable possibility of attainment? If so, under what conditions?

The argument as developed has led to the following result. Social democracy defined as "that form of society, no matter what its political classification, in which every man has a chance and knows that he has it," is becoming a social ideal for practical effort in the United States. The possibility of its attainment in reasonable measure can be judged only by an examination of the conditions under which the specific attempts to realize that ideal are made. Omitting detailed examination of the problem of economic

distribution, political organization and the effects of an educational system, attention has been concentrated on biological factors that affect social democracy. The assumption has been made that social democracy, in the sense defined, can exist only where the plane of living is relatively high. It has been argued that the plane of living is a function of two variables, rate of increase in population and rate of progress in the arts. Among some peoples the response of population-growth to progress in the arts is too rapid for attainment of a high plane of living. Among others it is not. Permanent social stability has been taken as a requisite for the working out of a social democracy. It has been held that relative stability attained in the past among various peoples has been due to their ability to defend themselves against their equals in culture either by their numbers or by advantages of geographical situation. Advancing control over nature has not merely increased population, but, by improving the means which render the progress of imitation rapid has made possible the development of social solidarity over wider and wider areas. Permanent geographic barriers between peoples are now high mountain-ranges, deserts and oceans.

A high level of native ability in the populace has been postulated as necessary for maintenance of social democracy. It has been argued that the claims of those who emphasize the importance of selection must be examined with respect to their bearing on this point. It has been shown that the processes which tend to eliminate certain stocks and substitute others may proceed with great rapidity. In many of their modes they have been found to operate without any such struggle or such elimination by starvation as some have deemed inevitable. If this and other of the more brutal modes come under social control and cease to operate, it has been shown that biology, as a matter of fact, does not

warrant the assertion that degeneration will result. It has been maintained that great differences in native ability among races and peoples have not yet been proven but that the evidence of great hereditary differences among individuals both in ability and in temperament—itsself a factor in moral differences—is amply sufficient to warrant conscious social interference in the biological process. Various existing social limitations on the biological process have been considered. It has been shown that the desirability of exercising a certain amount of social control over population has already received practical recognition and the question has been raised whether the application of this principle cannot wisely be extended for the purpose of maintaining the level of natural ability in the population.

It remains to apply these results to the United States. The question is, can the United States meet the conditions necessary for the attainment and maintenance of social democracy as defined in this essay? Can it permanently maintain its present high plane of comfort, its social stability and its high level of native ability and thus have opportunity to work out the problem of economic distribution and other minor questions involved in the final attainment of its ideal of social democracy?

The purpose of the few following pages will be to show that it can if man and not wealth becomes the real aim of the people. That, as far as continental United States is concerned, the conditions of social stability are already met, needs little more than statement. Within the nation such natural barriers as exist have been overcome by modern methods of communication and transportation. No bar exists to free interchange of thought and experience. The centralization of governmental administration and the consolidation of the railroads and other interests are but the most prominent of innumerable evidences that sectional

issues based on geographical differences are never again to produce civil war. The external conditions are likewise favorable. So far as relates to continental United States the fear of more than temporary invasion as a result of armed attack is negligible. A narrow strait protected England for centuries. Oceans protect us now. Because of this and the great area of the country it is inconceivable that natural resources here will ever be insufficient to support a population capable of maintaining the integrity of the nation. From European nations there is evidently no possible ground for fear and on the Western coast not the combined strength of Russia, China and Japan, however developed by science and growth of population, can do more than harry the coast. Canada has too many interests in common to be anything but friendly under all circumstances.

If these assertions have substantial validity it follows that rapid increase of population in the United States for the sake of mere numbers is unnecessary. The recent decline in the birth rate if unaccompanied by undesirable qualitative changes can only be favorable to the maintenance of that high plane of living which is essential for social democracy. This decline may indeed render the exploitation of resources less rapid and the gain of capital smaller, but it will also render the readjustment of socially undesirable inequalities more feasible. It is perfectly true that the development of foreign trade might prove a substitute for free land in sustaining a rate of population-growth more rapid than that now occurring, without lowering the present plane of living. The signs are not few that this country is already discovering that the exploitation of undeveloped foreign lands or peoples is the next most profitable field of effort. But if it desires social democracy this country will do well to ponder long before it enters too

deeply upon the development of certain phases of foreign trade. By mistaken development of certain lines of foreign trade, social democracy in this country gives a hostage to fortune. Witness the position of England, a threat to whose continued commercial supremacy produced hysteria not long ago and whose navy is a continual reminder that foreign commerce is a form of competition which requires the big stick. All competitors cannot succeed when all are in need of the same market. Why develop a population to any great extent dependent upon foreign trade that may eventually be taken by a competitor whose plane of living is low enough to produce more cheaply than can be done by this country at the present level of wages? Why not take into account the fact that imitation of methods of control over nature proceeds faster than change of customs affecting the birth rate? England suffered from the cotton famine. Why in a somewhat different manner repeat her experience on a gigantic scale? Why gain a market only to lose it? Is it that we may become a creditor nation? Is it to obtain wealth rapidly, make foreign investments and become a democracy like that of Greece founded upon slavery? Do we want democracy founded upon the privilege of exploiting less intelligent peoples? A white man's burden that would indeed be—but the burden would rest on another's shoulders! Nor would it last indefinitely.

No! Let foreign commerce develop only along such lines as naturally result from advantages in situation or other permanent physical differentials. Let it not grow along lines that will eventually be controlled by peoples where "labor is cheap"—where men are slaves in fact if not in name. We are great enough to be self-sufficient economically. Why develop mere numbers?

If we do, what will result? Is it absurd to picture low-standard countries forcing an entrance for their surplus

population into this country by means of their grip on a foreign trade which they control and upon which to a large extent we shall have become dependent? Is it absurd in view of the group struggle considered in a previous chapter, to picture the China of the future, developed into an important and established market of this country, attempting to force entrance for her surplus population into the United States by means of a far more effective boycott than that recently invoked? The experience of California prior to 1885 showed that the Chinaman is capable of undercutting the American and forcing him out. There is no reason for supposing that a reorganized China would not avail herself of this advantage to gain a foothold for her own people in this continent were she seized with the occidental desire for expansion. There are no means of knowing that under such circumstances the loss inflicted on China herself would not be cheerfully borne for the sake of future gain nor that interests affected by threatened industries in this country would not compel opening the door to the Coolie.

Whether such speculation contains truth or not, however, the opportunity geographical relations have conferred on this country cannot be gainsaid. It is under no necessity of developing commerce for self-preservation. Certainly to develop it by cheap production at the cost of a lowered standard of living would be unwise. In any event a lessened rate of population increase in this country so far as it may aid in the struggle for social democracy is evidently safe.

In the early part of the last century this was not true. European nations were eager to extend their colonial empire in America. Power was the requisite. For support of the Monroe doctrine the essential was power. For control of the West and the expansion of the country to its natural defense boundaries the essential was power.

Not strange is it, then, that "the brotherhood of man," a dogma derived from religion and political theory, determined the choice of the nation's blood. Quantity was the necessity. This desire for quantity still persists among our business men. In 1864 so eminent a body as the special committee of investigation of the Union League Club of New York City incidentally referred to "the idea that has occasionally prevailed among our skilled laborers, that either special or general emigration (sic) is likely to interfere with the wages or interests of those already here," but dismissed the subject with the remark that this idea "is one which, however natural it may seem, is contradicted by the vastness of our country and the magnitude of its needs."¹ Last year the attitude of the business men assembled at the Immigration Conference of the Civic Federation seemed an echo of this refrain. Cheap labor is the capitalist's demand. But cheap labor means cheap men. Will the country forego an increased gross wealth and accept increased per capita wealth for a smaller number of better men? Will it protect its laborers from the competition of foreign labor not by tariff on their products but by preventing the entrance of those who will depress the plane of living? Will it extend the principle on the basis of which it has already excluded the Coolie? Will it make the sacrifice of substituting labor-saving machinery even when it could produce more cheaply by obtaining cheap labor? Will it consciously deal with the question of population by means of the social limitations within its control? Will it for the sake of geographical unity and the avoidance of international complications give up the Philippines? To gain time for the gradual

¹ Union League Club of New York, *Report of Special Committee on Emigration* [sic], May 12, 1864, p. 17.

reduction of the rate of population increase will it maintain the Monroe doctrine with a view to sending whatever future surplus population may arise in this country into South America, there in turn to develop American ideals of social democracy in the safety of a second geographical area? Above all, will it do these things before the increase in its own population makes necessary *nolens volens* an entrance into the world struggle for foreign markets in competition with peoples of a lower plane of living? Finally will it discover and utilize all possible means to control the biological process for the purpose of maintaining the quality of the population?

Upon the answer may depend the possibility of approximately realizing the ideals of social democracy in this country.

ADDENDUM.

P. 50, line 29. After "B's" insert reference "2."

P. 68, table. The figures of this table are taken directly from Closson. The totals, 101.1 per cent., 100.6 per cent., and 100.9 per cent., are evidently due to cumulative error in abbreviating decimals. Reference 3 should read *Gesellschaftsordnung*, pp. 83 and 86.

P. 69, lines 22-3. Reference should here be made to pp. 42 and 43 of the text, where responsibility for the assertion that "unless man multiplies beyond the limits for which the average conditions of life comfortably provide, a process of steady degeneration will result," is specifically attributed to Mr. Kidd. As should be clear from previous argument in the text on this point, the first statement in the summary does not imply that biologists in general hold this to be true.

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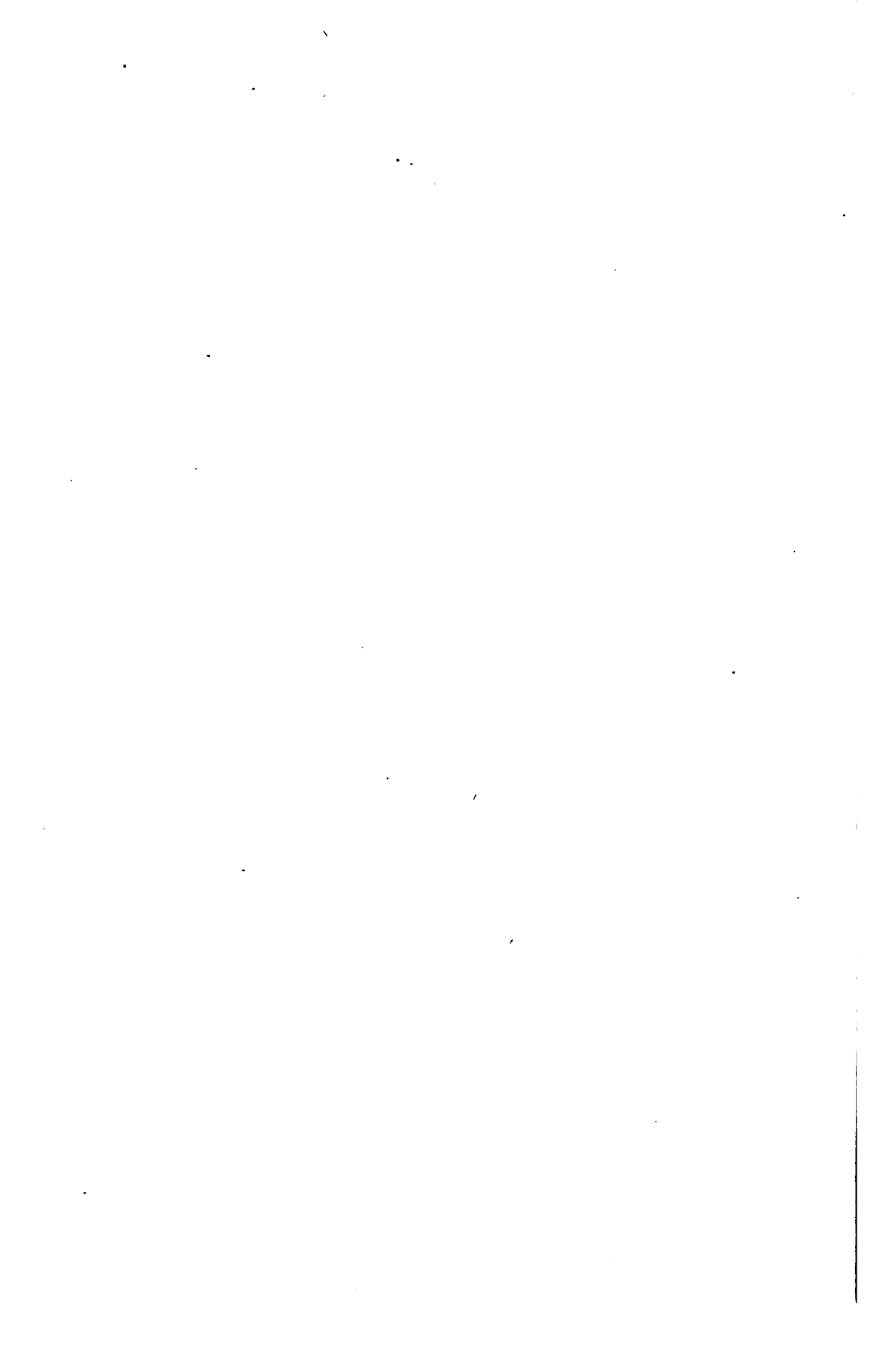
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